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P R C I N T E R N A T I O N A L A F F A I R S
GENERAL

A 1

U.S.-USSR DISARMAMENT TALKS SCHEDULED FOR JANUARY

OW221139 Beijing XINHUA in English 1033 GMT 22 Nov 84

["Shultz, Gromyko Agree To Meet Next January by Bao Yuangren" -- XINHUA headline]

[Text] Washington, November 21 (XINHUA) -- An agreement has finally been reached on a meeting between U.S. Secretary of State George P. Shultz and Soviet Foreign Minister Andrey Gromyko next January, ABC and NBC news reported this evening.

However, a State Department press official declined to confirm or deny the report in a telephone interview with XINHUA this evening. The official said the U.S. is "interested" in the proposal made by Soviet President Konstantin Chernenko and is "ready" to engage in talks with the Soviet Union.

The Shultz-Gromyko meeting will be a broad-range discussion on many issues. However, arms control is expected to be the major issue with both sides trying to figure out how they can return to detailed arms control talks after nearly a year of no talks at all.

A flurry of communications has gone on between the U.S. and the Soviet Union in the last two weeks, including an exchange of personal letters between U.S. President Ronald Reagan and Soviet leader Chernenko. In the last few days there have been intense diplomatic moves for an agreement on the Shultz-Gromyko meeting. Shultz and Gromyko last met in September in Washington.

Chernenko's proposal for talks between the two countries was delivered to the State Department last Saturday by a high-level Soviet diplomat. The U.S. has reacted quickly to the proposal.

NBC (NBC) news quoted U.S. Government sources as saying that the Soviets no longer are demanding the withdrawal of American medium-range missiles from the Western Europe as a price for agreeing to resume arms control talks, and the U.S. is prepared to offer a new approach. According to NBC news, the approach will be based on the proposition that if Shultz and Gromyko cannot reach verifiable agreements on arms control, they should proceed to achieve "arms control without agreement."

NAVY COMMANDER RETURNS FROM UK, SFRY VISIT

OW221708 Beijing XINHUA in English 1636 GMT 22 Nov 84

[Text] Beijing, November 22 (XINHUA) -- Liu Huaqing, commander of the Navy of the Chinese People's Liberation Army, and his party returned here tonight after their visit to Britain and Yugoslavia.

During his visit, Liu Huaqing met principal leaders of the Armed Forces and Navies of the two countries. He also visited naval vessels, facilities, factories and schools.

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PRC INTERNATIONAL AFFAIRS
UNITED STATES

B 1

PRC-U.S. GRAIN TRADE TALKS 'FRANK, FRIENDLY'

OW230644 Beijing XINHUA in English 0631 GMT 23 Nov 84

[Text] Beijing, November 23 (XINHUA) -- China and the United States just concluded their annual consultations on grain trade here, officials at the Ministry of Foreign Economic Relations and Trade said today. They described the consultations as proceeding "in a frank and friendly atmosphere in the spirit of seeking truth from facts."

Cao Wantong, general manager of the China National Cereals, Oils and Foodstuffs Import and Export Corporation, and Richard Smith, head of the U.S. mission and administrator of the foreign agriculture service of the U.S. Department of Agriculture, exchanged views on the current international grain market, grain production in China and the U.S. grain trade between the two countries and the related problems.

Chinese and American officials participating in the consultations expressed concern with the "various factors affecting the implementation of the existing Sino-U.S. agreement on grain trade." They agreed to continue their contacts and hold further consultations, Chinese officials said. The U.S. mission for the consultations, which arrived in China November 19, left for home November 21.

RENMIN RIBAO ON REAGAN'S DOMESTIC DIFFICULTIES

HK220840 Beijing RENMIN RIBAO in Chinese 22 Nov 84 p 6

[Commentary by RENMIN RIBAO correspondent Zhang Yunwen: "Reagan's Domestic Difficulties"]

[Text] The top domestic problem facing Reagan after his crushing election victory is that of reducing the budget deficit.

On returning to the White House at the conclusion of the campaign, Reagan convened a series of cabinet meetings to discuss plans for reducing the budget deficit. Office of Management and Budget, [OMB] director Stockman announced at a meeting that the deficit during the current fiscal year would amount to \$210 billion, \$33 billion more than the figure predicted back in August. People were shocked to hear this.

Reagan repeatedly told the electorate during the campaign that sustained economic growth would "automatically" reduce the deficit. Now, although the economy continues to grow, the deficit has certainly not disappeared "of its own accord," but actually shows signs of increasing. According to OMB forecasts, the total deficit in the next 5 years will amount to \$846 billion and the national debt will grow to \$2,200 billion. Interest on the national debt alone this year will amount to \$134 billion.

In the face of "this unfortunate reality," the President and his aides have only two choices: raising taxes, or cutting federal government spending. Reagan stated when answering Mondale's challenge during the campaign that he had no plan to raise taxes, and he said later that raising taxes was only "the last resort." Recently he has again declared that taxes would only be raised "over his dead body." Reagan reiterated this stand at the recent cabinet meetings, and it appears that the road to raising taxes is blocked. Under these circumstances, the only way to raise national revenue is to reduce government spending. As far as this is concerned, the commitments Reagan gave during the campaign leave him limited room to maneuver.

He announced that defense spending, which at \$300 billion accounts for 30 percent of total spending, could absolutely not be touched, and that he was also determined not to cut social welfare, which accounts for 20 percent of total spending. In addition, it is not possible to reduce interest on the national debt, which accounts for 12 percent of spending. The only items left where cuts can therefore be made are items such as transport, education, medical subsidies, civil service pensions, agricultural price subsidies, and so on, which account for less than one-third of total spending. Only limited cuts could be made in these fields. A senior government official said: "Things that were easy to cut were cut long ago."

According to reports, during the tense cabinet meetings over the past week and among senior advisers, there has been a variety of opinions and no agreement could be reached on the question of where the ax should fall. It is said that Presidential Adviser Meese, Treasury Secretary Regan, Commerce Secretary Baldrige, and OMB Director Stockman have each had their own plans, but in general these boil down to two schools of thought: Stockman and others lean toward reaching a compromise plan with Democratic congressmen, which will simultaneously tackle spending cuts and tax hikes, whereas Regan and others do not agree with raising taxes, but Regan has said that reductions in defense spending could be considered.

Another major move closely linked to formulating a budget plan is that of reforming the 70 year-old tax system. Reagan calls this simplifying the tax system. He proposed such an idea in his State of the Union message at the beginning of this year, and a Treasury Department team has already been studying the matter for nearly a year and will submit a scheme to the President next month. The main ingredients in reforming the tax system are to abolish most of the regulations on tax reduction and exemption, fill in tax loopholes, reduce the number of tax grades, expand the tax base, and cut the tax rate all around. A number of economists have pointed out that individuals and businesses whose tax reductions or exemptions are abolished will have to pay higher taxes. They therefore call this a disguised tax hike; however, Reagan has clearly stated that he will not allow disguised tax hikes and that simplifying the tax system will not increase the national revenue. This contradiction is not easy to solve.

At present, apart from the scheme being drawn up by the Treasury Department, congressmen of the two parties have also drawn up their own schemes. There is no lack of supporters for this so-called "revised unified tax rate," because the old tax system is both irksome and irrational. However, abolishing the tax reduction and exemption regulations is bound to touch on many individuals and groups with vested interests and will encounter strong opposition.

Various plans have been laid before the President over the past week. It was originally expected that Reagan would issue his policy decision this week. However, the current state of affairs shows that Reagan has still found it difficult to make up his mind during these "difficult 5 days" and can only postpone the matter until after Easter. Reagan's advisers say that with the election just completed and the momentum of the President's great victory still undiminished, and with Congress "not yet erecting obstacles," the administration "must take act quickly." They hold that the first half-year of the President's second term will be "the window of opportunity," and if this chance is lost, the budget deficit problem will be even harder to solve and the margin of choice even smaller. It is said that Reagan will deal with cutting the deficit and simplifying the tax system together in his budget speech this coming January. A number of economists, including former Presidential Economic Adviser Feldstein, say that the President will in the end reach a compromise with Congress on this issue.

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P R C I N T E R N A T I O N A L A F F A I R S
S O V I E T U N I O N

C 1

PRC REJECTS SOVIET MANEUVER NOTIFICATION PLAN

OW221205 Tokyo KYODO in English 1153 GMT 22 Nov 84

[Text] Beijing, Nov. 22 KYODO -- China rejected a Soviet proposal to serve advance notice on military maneuvers as part of efforts to ease tension between the two communist neighbors, east bloc sources said Thursday. The sources said the Soviets came out with the proposal during the latest round of deputy foreign minister talks, held in Beijing last month.

The Soviet proposal, described as a confidence-building measure for the Armed Forces of the two countries, involves giving China advance notice on military maneuvers staged by the Soviet Armed Forces near the Chinese border.

The chief Soviet delegate to the talks, Leonid Ilichev, called on China to reciprocate, but his Chinese counterpart, Deputy Foreign Minister Qian Qichen, turned down the proposal, the sources said.

The Chinese side instead stuck to its original demand that the Soviets pull their troops away from the China border. China calls the massive Soviet arms buildup along the Chinese frontier one of three major obstacles hampering bilateral relations.

The Soviet proposal to notify China on military maneuvers indicates that Moscow has no plan to accept the Chinese demand for troop withdrawal, diplomatic observers said.

Ilichev defended the presence of the Soviet troops on China's border, saying the Soviet Armed Forces in the Far East were part of the Soviet Union's overall security arrangement and not directed against China, the East European sources said.

Apart from the troop withdrawal, Beijing has also demanded that the Soviets pull out their troops from Afghanistan and stop giving support to Vietnam.

While turning down the maneuver notification proposal, the Chinese took a soft approach to a Soviet proposal to regulate their code of behavior according to international law provisions. The Chinese had rejected the Soviet initiative in previous sessions but agreed to consider the proposal and hold talks on the subject in the next round of talks, the European sources said. China and the Soviet Union, which have rotated their deputy foreign minister talks, are scheduled to hold the next session in Moscow in April next year.

FRIENDSHIP SOCIETIES HONOR CHINESE POET

OW220420 Beijing XINHUA in English 0241 GMT 22 Nov 84

[Text] Moscow, November 21 (XINHUA) -- A meeting was held in Moscow today to commemorate the 85th birthday of a renowned Chinese poet Wen Yiduo (1899-1946).

The meeting was jointly sponsored by the Union of Societies for Friendship and Cultural Relations With Foreign Countries of the Soviet Union and the Soviet-Chinese Friendship Society.

Wen Yiduo, who was also a scholar and democratic revolutionary, was assassinated by the Kuomintang reactionaries in July, 1946. V.T. Suhorukov, director of the East Institute of the Academy of Science of the Soviet Union said that Wen Yiduo had taken an active part in the people's struggle in his lifetime and enriched China's treasure-house of poetry with his works.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

D 1

ZHANG JINGFU MEETS JAPANESE VISITORS 21 NOV

OW210847 Beijing XINHUA in English 0836 GMT 21 Nov 84

[Text] Beijing, November 21 (XINHUA) -- Chinese State Councillor Zhang Jingfu met Yuzuru Abe, president of a Japanese steel firm, the Nisshin Steel Co., Ltd., and his party here today.

Zhang told the Japanese that China's current economic construction was centered on the upgrading of older factories. "For this purpose, we should import technology while developing the potential of existing enterprises." He said that Japanese entrepreneurs, technicians and managerial experts were welcome to come to cooperate with Chinese enterprises.

The Japanese have come to China on a business tour at the invitation of the China Metals and Minerals Import and Export Corporation.

CONFERENCE ON PRC-JAPAN EXCHANGES HELD IN TOKYO

OW211914 Beijing XINHUA in English 1900 GMT 21 Nov 84

[Text] Tokyo, November 21 (XINHUA) -- President of the China-Japan Friendship Association Sun Pinghua declared at the second conference on Japan-China friendly exchanges opening here today that Sino-Japanese relations had entered the best period in history.

He said in his key report to the conference that official diplomatic activities and people-to-people contacts, like the two wheels of a cart, complemented and supported each other and carried the cause forward.

Chairman Masao Shimizu of the Japan-China Friendship Association suggested in his key report that friendly exchanges be promoted by means of frank exchanges of views, especially between the sister cities of the two countries, so as to broaden contacts in various fields.

In his message of congratulations to the conference, Prime Minister Yasuhiro Nakasone also emphasized the importance of frank exchange of views to address the problems arising from the actual work of developing bilateral exchanges. He pointed out that amiable relations could be developed steadily in the future only by persistently increasing the understanding and trust of each other.

Wang Zhen, honorary president of the China-Japan Friendship Association, in his message of greetings, expressed his conviction in the bright future for Sino-Japanese friendship and cooperation.

The conference heard the opening address delivered by Chuji Kuno, vice-president of the Japan-China Friendship Association, and a speech by Masayoshi Ito, chairman of the Dietmen's League for Japan-China Friendship.

The morning plenary session was followed by discussions of specific topics at four seminars in the afternoon. The topics mainly deal with the experience and problems in the friendly activities and contacts between Chinese and Japanese sister cities and exchanges between youth and women of the two countries.

Forum Concludes

OW221818 Beijing XINHUA in English 1659 GMT 22 Nov 84

[Text] Tokyo, November 22 (XINHUA) -- The second conference on Japan-China friendly exchanges ended its two-day session here today. During the meeting, the two sides discussed the ways to further develop the exchanges.

In his summary speech, vice-president of the China-Japan Friendship Association Sun Pinghua said the short meeting discussed actual issues, reached good results, further deepened mutual understanding, and provided a good foundation for the future development of the friendly relations between the two sides.

Chairman Masao Shimizu of the Japan-China Friendship Association said in his summary speech that the meeting had made great achievements. The participants were determined to make new contributions to the development of economic and technical exchanges.

VICE FOREIGN MINISTER MEETS DPRK DELEGATION

OW230138 Beijing XINHUA Domestic Service in Chinese 1234 GMT 22 Nov 84

[Text] Beijing, 22 Nov (XINHUA) -- Yao Guang, vice minister of foreign affairs, met a delegation from the DPRK Ministry of Foreign Affairs International Organization Bureau led by its director Kim Su-ui the afternoon of 22 November.

The meeting was held in a cordial, friendly, and comradely atmosphere. Korean Ambassador to China Sin In-ha was present at the meeting.

I. 23 Nov 84

P R C I N T E R N A T I O N A L A F F A I R S
SOUTHEAST ASIA & PACIFIC

E 1

FOREIGN MINISTRY CONDEMNS SRV 'PROVOCATIONS'

OW220923 Beijing in Vietnamese to Vietnam 1400 GMT 21 Nov 84

[Text] At today's news conference, the Chinese Foreign Ministry Press Department spokesman vehemently condemned the Vietnamese aggressors' recent attacks on areas under the control of the Coalition Government of Democratic Kampuchea.

The spokesman expressed the determination to support the Kampuchean and Thai peoples, who are faced with the threat of incursions [xaam nhaapj], in their struggle against the Vietnamese aggressors.

He pointed out: The Vietnamese aggressors made incursions into Thailand early this month and launched attacks against the patriotic Kampuchean Armed Forces over the past few days. That is part of the Vietnamese authorities' planned premeditated acts in the just-begun dry season. He added: At present, the situation along the Thai-Kampuchean border has again become tense, Thailand's territory and security has again faced the threat of incursions by Vietnamese troops.

The spokesman also pointed out: Recently, Vietnamese troops have also increasingly stepped up their armed provocations along the Sino-Vietnamese border. He said: Clinging obstinately to their reckless course, the Vietnamese authorities will certainly meet with ever greater setbacks.

XINHUA COMMENTARY HITS SRV 'AGGRESSION'

OW221510 Beijing XINHUA in English 1438 GMT 22 Nov 84

["Commentary: The Ball Is Still in Vietnam's Court (by Huang Yuan)" -- XINHUA headline]

[Text] Beijing, November 22 (XINHUA) -- The Vietnamese authorities have recently insisted that in Southeast Asia, Hanoi is attempting to replace "confrontation with dialogue" in hopes of solving disputes through political means.

They even went so far as to claim that "the Indochinese countries are making every effort to improve their respective relations with China and the Southeast Asian nations," asserting that the crux of the problem lies with China and the Southeast Asian nations.

A senior Soviet official, during his recent visit to Hanoi, also chimed in with Hanoi by extending welcome and support for Vietnam's "dialogue" and "negotiations."

Hanoi's clamor for "negotiations" and "dialogue" is a supplement to the joint Vietnamese-Soviet call for "peace, stability and cooperation in Southeast Asia," which was aimed at creating a false atmosphere in the region. At the same time, it was also aimed at diverting world attention from the crucial issue of the withdrawal of Vietnamese troops from Kampuchea.

However, Hanoi's tricks cannot pass off without a hitch. Let us compare, for example, the UN deliberation on the joint Vietnamese-Soviet draft resolution on the item "peace, stability and cooperation in Southeast Asia" and the debate on the Kampuchean issue. The former took four hours only, mostly in a dull atmosphere, while the latter proved to be a heated discussion that ended with a vote of 110 to 22 in favor of the UN resolution on the Kampuchean situation.

It is obvious that the Vietnamese armed occupation of Kampuchea is the root cause of the tense situation in Southeast Asia and the bad Vietnamese relations with China and ASEAN countries.

China has no intention to confront with Vietnam for a single day. Nor does she want to see the Kampuchean fight against Vietnam. But China opposes Vietnam's policy of aggression and expansion. She wants to defend the fundamental principles of the UN Charter and the international norms, and to maintain peace in Asia and the rest of the world. This stand of China is in line with the resolutions of the United Nations on the Kampuchea issue, and therefore is in the interest of the Vietnamese people and the traditional friendship between China and Vietnam.

China has more than once declared that if Vietnam promises and really act to withdraw all its troops from Kampuchea within a short period with a definite timetable, the relations between China and Vietnam will be improved. If Vietnam really gives up its policy of aggression and expansion, peace will be restored in Kampuchea. In such a way, peace and stability will be reestablished in Southeast Asia, and Vietnam's relations with China and the ASEAN states will be normalized.

It is regrettable, however, that the attitude of the Vietnamese authorities to this key question remains obstinate. A spokesman of the Vietnamese Foreign Ministry asserted in the October 31 statement that the resolution on the Kampuchea issue adopted by the 39th session of the UN General Assembly "is unlawful and valueless." He arbitrarily declared that "no settlement for the so-called 'Kampuchea issue' can be found" with the Coalition Government of Democratic Kampuchea.

Since early this month, Vietnamese troops in Kampuchea have launched another "dry season offensive" against the Democratic Kampuchean patriotic forces. Some two hundred Vietnamese troops have made a flagrant incursion into Thai territory. Vietnamese troops also carried out armed provocations against Chinese border areas, causing new bloody incidents.

Whoever started the trouble should end it. Now the ball apparently remains in Vietnam's court. Whether peace and stability can be realized in Southeast Asia and relations between ASEAN countries improved ultimately depend on whether the Hanoi authorities have the willingness to change over to new ways and stop their aggression against Kampuchea.

YAO YILIN MEETS AUSTRALIAN DIPLOMAT 21 NOV

OW211236 Beijing XINHUA in English 1218 GMT 21 Nov 84

[Text] Beijing, November 21 (XINHUA) -- Chinese Vice Premier Yao Yilin met here today Australian Secretary of the Department of Foreign Affairs Stuart Harris and his party at the Great Hall of the People. Yao Yilin said that China and Australia belonged to the Asia-Pacific region, and both countries desired peace and economic development of the region. Harris noted that there were frequent exchanges between officials of the two countries and they had come to China for the third round of regular talks with their Chinese counterparts. Present at the meeting were Chinese Vice Foreign Minister Zhu Qizhen and Australian Ambassador to China Dennis W. Argall.

FURTHER REPORTAGE ON SINO-MALTESE TALKS

Li Receives Honorary Degree

OW211327 Beijing XINHUA in English 1224 GMT 21 Nov 84

[Text] Valletta, November 21 (XINHUA) -- Visiting Chinese President Li Xiannian was given an honorary doctoral degree in laws by the University of Malta here today.

A resolution approved by the Council of the University said the conferment expressed the deep feeling of friendship and respect of the island country to the Chinese president as well as to the Chinese people as a whole.

Speaking at the conferment ceremony, President Li praised the role played by the university in promoting cultural and scientific and technological exchanges between the two countries. He expressed the hope that these exchanges will develop further along with the progress of the Sino-Maltese political and economic relations. Maltese President and Chancellor of the University Agatha Barbara was present at the ceremony.

Li, Mintoff Confer

OW211632 Beijing XINHUA in English 1619 GMT 21 Nov 84

[Text] Valletta, November 21 (XINHUA) -- Chinese President Li Xiannian, now on a visit to Malta, exchanged views here today with Maltese Prime Minister Dominic Mintoff on the development of the two countries' relations. The two leaders expressed their satisfaction with the development of the relations.

President Li expressed the hope that the two countries will actively explore new ways for further cooperation on the basis of the existing one. Li and Mintoff also briefed each other on the domestic situations of their respective countries.

Li conveyed Chinese Premier Zhao Ziyang's best regards to Mintoff, who, in return asked Li to convey his best wishes and the wishes of the Maltese Government to Premier Zhao. Present at the talks were also Chinese State Councillor and Foreign Minister Wu Xueqian and Maltese Foreign Minister Alex Sciberra Trigona.

Wu Xueqian on Relations

OW212016 Beijing XINHUA in English 1956 GMT 21 Nov 84

[Text] Valletta, November 21 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian said here today that Chinese and Maltese leaders had entered into "friendly and candid talks" in the past three days and had increased understanding of each other.

Meeting the press here this evening, the foreign minister, who is accompanying President Li Xiannian on a state visit to Malta, said that the purpose of the visit was to strengthen the existing amiable relations, promote mutual understanding and find more ways to further bilateral cooperation. "We are certain that President Li's visit will be successful," he said. He said he placed great hopes on the flourishing of Sino-Maltese relations and was convinced of their further development in the future.

Explaining China's position on the Mediterranean question, Wu said that he and his Maltese counter-part held identical views on how to safeguard world peace, including peace in the Mediterranean. He had learned of Malta's deep concern about peace in the Mediterranean. "China supports all the proposals and initiatives for the preservation of peace in the Mediterranean," he added.

When asked about his view on the prospects for the development of economic relations and trade between the two countries, Wu said he had had a wide range of talks with Maltese officials on the matter since his arrival and found both sides in perfect agreement on the ways and means of carrying their economic relations forward.

He told reporters that it was an important component of China's foreign policy to strengthen friendly cooperation with other Third World countries and develop South-South cooperation. Reaffirming the four principles for this cooperation, namely, equality and mutual benefit, stress on practical results, diversity in forms and attainment of common development, he said that China would continue to follow these principles in developing its economic relations with all other Third World countries.

Wu on Successes of Li's Tour

OW220913 Beijing XINHUA in English 0823 GMT 22 Nov 84

[Text] Valletta, November 22 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian said here today that President Li Xiannian's visit to Spain, Portugal and Malta "has reached the expected goal" and is "satisfactory and successful." President Li and his wife Lin Jiamei are here on the last leg of their three-national south European tour which began on November 12.

Wu, who is accompanying Li on the trip, told Chinese reporters on the eve of the conclusion of the visit that the leaders, governments and people of the three nations attached great importance to the visit and accorded President Li a grand welcome and cordial reception. He said that President Li's visit is to enhance mutual understanding, strengthen friendly co-operation, help ease international tension and safeguard world peace.

Thanks to the same desire of the host countries, talks held by President Li with leaders of the three countries were harmonious, and they shared identical or similar views on major international issues. These leaders all expressed wishes to further develop the friendly co-operative relations with China, Wu said.

Wu said the Chinese president's visit to Spain has ushered in a new phase of the friendly and cooperative relations between the two countries. He said that friends from all walks of life in Spain toward great interest in China, and those in business circles in particular strongly desired to further develop economic exchanges with China.

"Contacts and explorations have been made on cooperation in several projects. Both sides agreed that there are quite a few areas for trade, economic and technological co-operation such as petroleum, chemical industry and leather processing," he said.

The Chinese foreign minister said that during this visit, an agreement on developing economic and industrial co-operation was signed between China and Spain. The two governments also agreed to establish consulates general in Barcelona and Shanghai.

Prime Minister Felipe Gonzalez accepted the invitation by Premier Zhao Ziyang to visit China, he said. King Juan Carlos and Queen Sofia have also accepted with pleasure the invitation by President Li to visit China again. "It can be expected that there will be a greater development of Sino-Spanish relations," Wu said.

On Li's visit to Portugal, Wu said that in the five years since China and Portugal established diplomatic relations, the relations between the two countries generally speaking have been well developed. However, contacts between the two countries were after all short, understanding with each other was far from enough. President Li's visit played an important role in enhancing understanding between the two countries. "We feel that the Portuguese Government has the same desire as we do to build closer ties between China and Portugal," he said.

Wu told reporters that the Portuguese President Antonio Eanes and Madame Eanes will visit China next year, which will be a major event in the annals of Sino-Portuguese relations.

"It is known to all that the Macao issue left (?by the) history remains to be resolved, (?he said). "The stand (?of) the Chinese Government on the problem is consistent and explicit. The Portuguese Government also made a solemn statement on the status of Macao when establishing diplomatic relations with China. We believe it will not be difficult to settle the problem through peaceful negotiations between the two governments in due course."

Referring to the president's current visit to Malta, Wu said that the relations between China and Malta have developed smoothly since the establishment of diplomatic relations between the two countries in 1972. China has done what it could to support the Maltese people in their struggle for maintaining national independence and developing their national economy, he said. He said that the current visit by President Li, with an aim to strengthen the friendly relations with Malta, shows that China consistently stands for equality among all nations, big or small, and upholds respect between countries.

Wu said that during his stay in Malta, Li and his party had an in-depth exchange of views on the international situation and the development of bilateral cooperation with their counterparts. "Both sides expressed their desire for furthering the relations on the basis of the Five Principles of Peaceful Coexistence. The Sino-Maltese relations are expected to continue to grow in the future," he said.

Li Made Honorary Malta Member

OW221405 Beijing XINHUA in English 1341 GMT 22 Nov 84

[Text] Valletta, November 22 (XINHUA) -- The insignia of honorary member of the Republic of Malta was conferred upon Chinese President Li Xiannian by Maltese President Agatha Barbara here today. The honor is the highest in this country, often offered to those people who have made great contribution to the Maltese people and to the promotion of friendly relations between Malta and other countries.

Speaking at the conferment ceremony at the presidential office, President Barbara paid high tribute to China's assistance to Malta in its struggle for independence and in its national construction. She said the conferment of the honor shows the respect and sincere esteem of the Maltese people towards the Chinese leader and the Chinese people.

She said China helped and understood the principal aims of the Maltese socialist government, including economic and political independence, and its efforts to prevent the presence and interference of foreign powers in the Mediterranean.

President Li said, "China and Malta have maintained friendly relations with each other. It is our firm policy to steadily strengthen the cooperation and friendship between our two countries and two peoples."

Li said that since these relations are based on the Five Principles of Peaceful Coexistence and can stand the test of time, he believes that "through the continued efforts of our two sides, the Sino-Maltese friendship and cooperation will surely yield even more fruitful results."

Maltese Prime Minister Dominic Mintoff and Speaker of the House of Representatives Daniel Micallef as well as Chinese State Councillor and Foreign Minister Wu Xueqian were present at the ceremony.

Li Hosts Return Banquet

OW230440 Beijing XINHUA Domestic Service in Chinese 0309 GMT 23 Nov 84

[Text] Valletta, November 22 -- Chinese President Li Xiannian and his wife Lin Jiamei gave a return banquet to thank Maltese President Agatha Barbara for the warm hospitality given to him during his visit.

A cordial, friendly atmosphere prevailed throughout the banquet. Both hosts and guests proposed toasts for everlasting friendship between the two countries.

Present at the banquet were Maltese House Speaker Daniel Micallef, Senior Deputy Prime Minister and Minister of Education Karmenu Mifsud Bonnici, and other high ranking Maltese Government officials.

Senior members of President Li's entourage, including Vice-Minister of Foreign Economic Relations and Trade Zheng Tuobin and Chinese Ambassador to Malta Hua Renqin also attended the banquet. State Councillor and Foreign Minister Wu Xueqian had left for Tehran this afternoon for a visit to Iran at the invitation of his Iranian counterpart.

Before the banquet, Maltese Prime Minister Dominic Mintoff called at the guest house to bid farewell to the Chinese president. During their meeting, the two leaders expressed satisfaction with the results of Li's current visit to Malta.

Mintoff said the visit had further enhanced the friendship between the peoples of Malta and China, and the prospects for cooperation in the future had become brighter. He congratulated President Li on the success achieved during his visit and wished him bon voyage.

Li said that there was no fundamental conflicts of interest between the two countries, so they should be friendly toward each other forever. "We are good friends and support each other," he added.

Mintoff said, "I was, am and will always be a friend of the Chinese people."

The Chinese president, who arrived here on November 19 for a four-day state visit, is scheduled to leave for home tomorrow morning.

Li Departs Malta, Ends Tour

OW231013 Beijing XINHUA in English 0935 GMT 23 Nov 84

[Text] Valletta, November 23 (XINHUA) -- Chinese President Li Xiannian and his wife Lin Jiamei ended their three-nation south European tour and left here for home this morning. At a farewell ceremony held at the airport here, President Li, accompanied by Maltese President Agatha Barbara, inspected the guard of honor.

Li, who had a four-day visit to Malta, warmly shook hands with President Barbara and Senior Deputy Prime Minister Karmenu Mifsud Bonnici and expressed his heartfelt thanks to the Maltese Government and people for the warm reception he received during his stay here. Chinese Ambassador to Malta Hua Renqin was also at the airport.

While in Malta, the last leg of his three-nation south European tour, Li held talks with President Barbara and Prime Minister Dominic Mintoff on separate occasions. They exchanged views on bilateral relations and international issues of common interest. The two sides also explored possibilities of furthering bilateral economic relations and trade.

Prior to his visit to Malta, President Li paid state visits to Spain and Portugal. All these visits were described by Chinese State Councillor and Foreign Minister Wu Xueqian as successful and satisfactory.

In a comment on Li's visit, Foreign Minister Wu said that "President Li's visit has reached the expected goal." It further increased the mutual understanding and helped promote the relations between China and these three countries.

Portugal's Soares on Li Visit

OW230354 Beijing XINHUA in English 0258 GMT 23 Nov 84

[Text] London, November 22, 1984 (XINHUA) -- Portuguese Prime Minister Mario Soares said here today that Chinese President Li Xiannian's visit to his country a few days ago was "very successful."

Mario Soares, who is here on a four-day official visit to Britain, said at a reception he gave to London diplomatic press correspondents at the Portuguese Embassy here that Portugal would like "to step up our cooperation and relations with China in all fields and areas."

During a private conversation with XINHUA, the prime minister said the inclusion of Portugal in President Li's itinerary is "a demonstration of the interest the People's Republic of China has in Portugal."

"The talks I had with your president and your foreign minister show that there is tremendous identity of points of view between us and it is a very good phase for us to move ahead," he pointed out.

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G 6

PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

NORWEGIAN PRIME MINISTER WILLOCH TOURS CHINA

Visits Shanghai

OW211904 Beijing XINHUA in English 1631 GMT 21 Nov 84

[Text] Shanghai, November 21 (XINHUA) -- Norwegian Prime Minister Kaare Willoch and Mrs Willoch toured a fishery resources research vessel here today, a gift to China from Norway.

The 1,100-ton vessel, named the Beidou, meaning the dipper, is 56 meters long and 12.5 meters wide, and is equipped with acoustic and electronic instruments and computers.

The prime minister was accorded a warm welcome aboard by the crew, Chinese scientists and Norwegian experts working on the ship. An official from the Chinese Ministry of Agriculture, Animal Husbandry and Fisheries told the prime minister that the ship would have a trial voyage immediately following the visit.

Willoch expressed the hope that this would be a new impetus for cooperation between the two countries. "Norway is willing to contribute to China's fisheries and shipping industry. This would benefit both of us," he said.

The Norwegian prime minister and his wife arrived here this morning from Beijing in the company of Chinese Minister of the Petroleum Industry Tang Ke and his wife. They were honored here tonight at a banquet hosted by the Shanghai Municipal People's Government.

Departs for Shenzhen

OW221556 Beijing XINHUA in English 1457 GMT 22 Nov 84

[Text] Shanghai, November 22 (XINHUA) -- Norwegian Prime Minister Kaare Willoch and Mrs Willoch left here this afternoon for Shenzhen, one of the four special economic zones in south China.

The Norwegian visitors went to a rural township in the suburbs of Shanghai this morning. The prime minister toured a kindergarten, a hospital, a garment factory and a peasant's house there. At the end of his visit, the prime minister said that seeing what was happening at grassroots units was important to a better understanding of China.

He congratulated the local people on their achievements in production, cultural life, education, public health and welfare. On his way back to the city, the prime minister called on a retired engineer at his home.

ULANHU RECEIVES NEW BELGIAN AMBASSADOR

OW220446 Beijing XINHUA in English 0247 GMT 22 Nov 84

[Text] Beijing, November 22 (XINHUA) -- The new ambassador of the Kingdom of Belgium to China, Jan Hollants van Loocke, presented his credentials to Vice-President Ulanhu here this morning. Vice-Minister of Foreign Affairs Zhou Nan was present. The new Belgian ambassador arrived in Beijing November 16.

ROMANIA'S CEAUSESCU RECEIVES WAN LI IN BUCHAREST

OW221700 Beijing XINHUA in English 1606 GMT 22 Nov 84

[Text] Bucharest, November 22 (XINHUA) -- Nicolae Ceausescu, general secretary of the Romanian Communist Party, received Wan Li, leader of the Chinese Communist Party (CPC) delegation, at the "Republic Palace" here today.

In his conversation with Wan, Ceausescu said the fact that the CPC Central Committee had sent the delegation headed by Wan Li, member of the Secretariat of CPC Central Committee, and vice-premier of the state, to attend the 13th Congress of the Romanian Communist Party, was a manifestation of the very good relations and militant unity between the two parties and peoples. He expressed the conviction that the friendly relations, unity and cooperation between the two parties, two countries and two peoples would be further developed and deepened.

Wan Li in return highly appraised the tremendous achievements of the Romanian people in their socialist construction and in enhancing their standard of living both materially and spiritually. He praised Ceausescu's report at the 13th Party Congress as an embodiment of creative application of the universal truth of Marxism-Leninian to the actual conditions in Romania. Wan Li was convinced that the Romanian Communist Party and the Romanian people would certainly be able to realize the grand program adopted at the 13th Party Congress under the leadership of the party's Central Committee headed by Ceausescu.

HU YAOBANG CONGRATULATES CEAUSESCU ON REELECTION

OW221704 Beijing XINHUA in English 1602 GMT 22 Nov 84

[Text] Beijing, November 23 (XINHUA) [dateline as received] -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, today sent a message of congratulations to Comrade Nicolae Ceausescu on his reelection as the General Secretary of the Romanian Communist Party.

The message says: "On the occasion of your reelection as the general secretary of the Romanian Communist Party, I, on behalf of the Central Committee of the Chinese Communist Party and in my own name, extend the warmest and fraternal greetings to you and, through you, to the newly-elected Central Committee of the Romanian Communist Party. I wish you good health and vigour, and new successes in leading the Romanian people to accomplish the fighting tasks put forward by the 13th National Congress of the Romanian Communist Party and in the lofty cause of building a socialist society with an all-round development."

HONECKER SAYS GDR TO DEVELOP TIES WITH PRC

OW230808 Beijing XINHUA in English 0642 GMT 23 Nov 84

[Text] Berlin, November 22 (XINHUA) -- General Secretary of the German Socialist Unity Party Erich Honecker said today that further development of Democratic Germany's relations with the People's Republic of China was in the interests of both countries as well as of socialism and world peace. Honecker made the remarks in a report on the work of the party Politburo at the Ninth Plenum of the party Central Committee.

He said that "we have been working for the development of bilateral ties with the People's Republic of China," and that "like the Soviet Union and other fraternal countries, we have made progress toward this end, which is in the interests of both countries and brings no harm to third countries."

The plenum, which began today, is expected to lay down economic and foreign policy guidelines for the next year.

TRADE FAIR PROMOTES SINO-HUNGARIAN COOPERATION

HK200424 Beijing CHINA DAILY in English 23 Nov 84

[By a CHINA DAILY staff reporter]

[Text] A trade exhibition sponsored by the Hungarian Exhibition Corporation opened at the Agricultural Exhibition Centre in Beijing yesterday.

Covering some 1,400 square metres, it includes more than 2,000 exhibits of electronics, communications apparatus, computers, medical equipment, precision instruments, and energy and food processing equipment.

Some 34 trade corporations, factories and co-operatives from Hungary are taking part. During the exhibition, Hungarian experts and engineers will give 35 lectures on Hungary's economy and economic reform and on technology.

The exhibition would promote Sino-Hungarian economic, trade and technical co-operation, Guo Dongbo, vice-chairman of the China Council for the Promotion of International Trade, said at the opening ceremony. Since 1955, many Hungarian economic, trade and industrial exhibitions had been held in China, deeply impressing the Chinese people and bringing positive results, he said.

Emil Schultheisz, minister of Public Health and head of the Hungarian exhibition delegation, said the show would contribute to the further advancement of economic co-operation between Hungary and China, since it was held at a time when the relationship between the two countries was being normalized.

The volume of two-way trade between China and Hungary is expected to reach 272 million Swiss francs (\$110 million) this year, 47 percent more than last year, according to Szuszky Ervin, commercial councillor of the Hungarian Embassy.

PRC, HUNGARY SIGN HEALTH, SCIENCE AGREEMENT

OW230938 Beijing XINHUA in English 0838 GMT 23 Nov 84

[Text] Beijing, November 23 (XINHUA) -- An agreement between the Chinese and Hungarian Governments on cooperation in the field of public health and medical science was signed here this afternoon. This is the first of its kind between the two countries.

Signing the agreement on behalf of the two sides were Chinese Minister of Public Health Cui Yueli and Hungarian Minister of Health Emil Schultheisz. Chinese Vice-Premier of State Council Li Peng attended the signing ceremony and met with the Hungarian minister and his party before the ceremony.

ZHAO SENDS MESSAGE TO 'ARAFAT ON PNC SESSION

OW222038 Beijing XINHUA in English 2029 GMT 22 Nov 84

[Text] Beijing, November 22 (XINHUA) -- Chinese Premier Zhao Ziyang today sent a message to Yasir 'Arafat, chairman of the Executive Committee of the Palestine Liberation Organization, wishing the 17th session of the Palestine National Council every success. The long-awaited meeting opened in Amman, Jordan, today.

The message praises the heroic Palestinian people and fighters for their extremely arduous struggles against the Israeli aggressors and for withstanding the severe test over the past two years under the leadership of the Palestine Liberation Organization, their sole legitimate representative.

The message condemns the Israeli authorities for pursuing their policy of aggression and expansion and ignoring the existence of the Palestine Liberation Organization and the legitimate rights of the Palestinian people. "Under such circumstances," the message says, "it is all the more important for the Palestinian and other Arab peoples to close their ranks in the struggle against their common enemy. It is our sincere hope that, burying the hatchet, they would unite in this time of need and advance shoulder to shoulder towards their lofty national goal."

"The Chinese Government and people have all along cherished their militant friendship with the Palestinian people and will, as always, firmly support their just struggle to regain their legitimate national rights, including the right to establish an independent state of their own," the message declares.

VICE PREMIER TIAN JIYUN LEAVES FOR WEST AFRICA

OW221145 Beijing XINHUA in English 1049 GMT 22 Nov 84

[Text] Beijing, November 22 (XINHUA) -- Chinese Vice-Premier Tian Jiyun left here this afternoon on official goodwill visits to Nigeria, Mali, Benin, Togo and Sierra Leone at the invitations of their governments. Upon his departure, Tian told XINHUA at the airport that a basic point of China's foreign policy was to strengthen unity and cooperation with other Third World countries.

He said the purpose of his visits was to learn from the African people, enhance mutual understanding and friendship between the peoples of China and these West African countries and strengthen unity and cooperation with them. "We will meet leaders of the five West African countries and exchange views on strengthening ties of friendship, increase economic and technical cooperation and trade," he said.

The vice-premier noted that China set great store by strengthening South-South cooperation, namely, cooperation with other Third World countries. Accompanying Tian on the visits are Gong Dafei, advisor to the Ministry of Foreign Affairs, Lu Xuejian, vice-minister of foreign economic relations and trade, and other officials. Tian and his group were seen off by Vice-Premier Li Peng, Minister of Agriculture, Animal Husbandry and Fisheries He Kang and leading officials of other relevant departments as well as diplomatic envoys of the five African countries.

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C H I N A
PRC NATIONAL AFFAIRS

K 1

FANG YI ADDRESSES CONFERENCE ON ALLOY STEEL

Discusses Development of Industry

OW221453 Beijing XINHUA Domestic Service in Chinese 1555 GMT 21 Nov 84

[By reporters Shang Daijiang and Cui Jizhe]

[Text] Taiyuan, 21 Nov (XINHUA) -- With the growth of the national economy, our pace in developing low-alloy steel and alloy steel must be quickened, said Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor at the second national work conference on low-alloy steel and alloy steel, which concluded today.

Fang Yi stated: The following new circumstances and problems have come up: The increase in steel production cannot catch up with the growth rate of industry as a whole, and supply falls far short of demand. Rapid progress in construction of the state's key projects has resulted in new demands for steel. The large-scale technological transformation of existing enterprises and industrial bases has placed a new demand on the iron and steel industry both quantitatively and qualitatively. Scores of enterprises run by communes, production brigades, and production teams are springing up, and they will inevitably need more steel products. A new technological revolution is arising in the world. Since new materials constitute an important aspect of the new technological revolution and serve as the supporting and leading factor for the development of other new technologies and industries, there are growing demands for new materials from light industry, which produces high-grade consumer durables, and from the departments of scientific research, national defense, and military industry.

Fang Yi pointed out: These circumstances point to the heavy responsibility and hard task of the metallurgical industry in carrying out the program of the four modernizations. The state has put an earnest hope on the metallurgical industry for supplying good steel to meet the demands in various fields. Since low-alloy steel and alloy steel have many good properties that cannot be matched by ordinary low-carbon steel, they are needed by various industrial departments for making a large variety of new high quality products. Because of this, we must speed up our pace in developing these two kinds of steel. It is imperative to raise our work of production and scientific research on these two kinds of steel to a new high level by focusing attention on improving quality and lowering production costs. For this purpose, Fang Yi put forward four suggestions:

1. All-out efforts should be made to promote the application and development of new processes and technologies for the production of low-alloy steel and alloy steel. Efforts should be concentrated on establishing a few development centers for these new processes and technologies.
2. Certain achievements of the new technological revolution should be applied to the production of low-alloy steel and alloy steel as early as possible.
3. It is necessary to open ourselves to the outside world, expand academic exchange, and combine the solution of key technological problems with the import of advanced technology from abroad to accelerate the technological progress of the enterprises.
4. The research and popularization work on the application of low-alloy steel and alloy steel should be strengthened. Departments involved in scientific research, design, production, and application should attach great importance to studying the properties and processing techniques of these materials.

Stresses Role of Intellectuals

HK220222 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 21 Nov 84

[Text] Fang Yi, member of the Political Bureau of the CPC Central Committee and State Councillor, stressed in a speech on 21 November at the second national science and technology meeting on low alloy and alloy steel, held in Taiyuan: Intellectuals should scale the peaks of knowledge. Respect for knowledge and talent should become one of the major slogans of our era.

Comrade Fang Yi pointed out: All our achievements since the 3d Plenary Session of the 11th CPC Central Committee could not have been gained without implementing the policies on intellectuals and attaching importance to talent. In the past year and more, outstanding success has been scored in tackling tough technical problems in low-alloy and alloy steel. This, too, was closely related to attaching importance to knowledge and talent. Talent is the root of creation. A country's prosperity and development is first expressed in its development of talent. Hence, respecting knowledge and talent should become one of the major slogans of our era.

Comrade Fang Yi said: In implementing the policies on intellectuals, apart from caring for them and trusting them politically and creating the necessary conditions for them in work, the most important thing is to ensure that they are employed in the right posts where they can best display their talent. To succeed in this, it is essential to have rational mobility of talent. At present, there are still instances of suppressing and dealing blows at intellectuals in some places. We must wage the necessary struggle against this phenomenon. People who suppress talent and deal blows at intellectuals must be resolutely removed from leadership posts. We must boldly give big rewards to science and technology personnel who have made contributions. The significance of this lies in acknowledging the value of knowledge. This is an important aspect of implementing the policies on intellectuals.

Comrade Fang Yi pointed out: A key issue in the reform of science and technology is to fully mobilize the enthusiasm, initiative, and creativity of science and technology personnel, and exploit their brains to the maximum to serve socialist modernization. At present we must in particular pay attention to bringing into play the role of middle-aged and young science and technology personnel. We should open up a science and technology market and gradually turn the fruits of science and technology into commodities. We must apply contract and tender systems in the management of science and technology projects. We must adopt a contract system with compensation, delegate personnel and financial powers to lower levels, and pass on, for compensation, the technical results of tackling tough projects.

Comrade Fang Yi held: We must be skilled in applying the favorable conditions of opening up to the world and the wealth of knowledge created in common throughout the world, rapidly and selectively import suitable advanced technology, and then proceed to digest it. This is an important component of science and technology work. It is a major way of achieving faster results. By this means we can enhance our technical levels more rapidly, strengthen the competitiveness of the enterprises, and thus succeed in having the pupil surpass the master and in creating new technology unique to China. We should further expand external economic exchanges and give free rein in allowing more science and technology workers to take part in various types of international academic exchanges.

Comrade Fang Yi earnestly hoped that the intellectuals would continually scale the peaks of knowledge and make more contributions to making a success of reform, speeding up the progress of technology, accelerating the technological transformation of the national economy, and achieving the motherland's four modernizations.

The meeting ended on 21 November.

Emphasizes Respecting Knowledge

OW230412 Beijing XINHUA Domestic Service in Chinese 1227 GMT 22 Nov 84

[By reporters Cui Jizhe and Shang Daijiang]

[Text] Taiyuan, 22 Nov (XINHUA) -- Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, spoke at the recent second national work conference on alloyed steels. He said: As we are living in an age of reform, "Respect Knowledge and Talented People" should become one of the slogans of our times.

Comrade Fang Yi pointed out: Talented personnel are the foundation for starting an undertaking. The number of talented personnel we have is an important indicator of our country's strength. Along with the continuous progress achieved in the country over the past 2 years, there have been such inspiring slogans as "Revitalize China," "Go All-Out To Fight," and "Make a Vigorous Leap Forward." In this age of reform, "Respect Knowledge and Talented People" should also become one of the slogans of our times.

Comrade Fang Yi said: One of the key issues in reforming the scientific and technical system is how to fully mobilize the enthusiasm, initiative, and creativity of the scientific and technical personnel in order to develop the intellectual resources to the fullest. At present, particular attention should be given to the role played by young and middle-aged scientific and technical personnel. It is necessary to establish a market for technologies in order to gradually make the fruits of scientific and technical research serve commercial needs. It is also necessary to apply systems of contracting, bidding, and compensation contracts in tackling major scientific and technical projects.

Comrade Fang Yi emphatically pointed out: The purpose of giving generous rewards to scientific and technical personnel who have made outstanding contributions is to acknowledge the value of their knowledge. This is an important aspect in implementing the policy toward intellectuals. Aside from showing them concern and trust politically and creating the necessary conditions for their work and livelihood, an important aspect in implementing the party's policy toward intellectuals is to enable each of them to make full use of this talent.

Fang Yi called on metallurgical industry departments throughout the country to open up channels of communication among all schools of higher learning, academies of sciences, local research institutions, and scientific research organizations under military industry departments and to step up contacts with them in order to pool the wisdom of all quarters to raise the technical level of the metallurgical industry.

The 6-day meeting already ended yesterday.

HU, ZHAO ON WAYS TO EXAMINE ENTERPRISES

OW212226 Beijing XINHUA Domestic Service in Chinese 1251 GMT 20 Nov 84

[By reporter Wu Jincai]

[Text] Beijing, 20 Nov 84 (XINHUA) -- General Secretary Hu Yaobang and Premier Zhao Ziyang recently pointed out that reorganization of enterprises should not be examined formalistically.

While transmitting this guideline, a leading member of the national enterprise reorganization leading group pointed out at a regular meeting today that a small number of enterprises in some areas, instead of reorganizing themselves according to their actual

needs, have merely mechanically copied what other enterprises had done, and they also dealt with the examination groups perfunctorily, thinking that everything would be alright after the examination. He said: In the upper departments, some cadres appointed to examine the reorganized enterprises are highly circumspect in setting examination standards. But when they really examine an enterprise, their work becomes superficial and not to the point, even though they have made a fuss about the matter and dragged in many people. When Comrade Hu Yaobang was informed of this, he instructed: Many of our departments and comrades are hard working and their intention is good; but their method of work is incorrect. Instead of conducting investigation and study in a down-to-earth manner, and instead of studying advanced science, technology, and management and going ahead to discover new problems and solve them, they try to accommodate the needs of the upper departments. Such an idea and such a way of doing things are very bad. Comrade Zhao Ziyang also pointed out: Such a formalistic way of examining enterprises must be changed.

The leading member of the national enterprise reorganization leading group said: Much work must be done this winter and next spring in examining reorganized enterprises. All leading groups overseeing the reorganization of enterprises must earnestly inspect their operation in accordance with the instructions given by Comrade Hu Yaobang and Zhao Ziyang, change their examination method, and earnestly combat formalism. He said: High standards and strict requirements must be set for the examination of all enterprises. We must pay particular attention to the key areas, simplify procedures, and step up routine assistance and supervision. The 1,000-point or 100-point criteria should not be applied to small enterprises. Reorganization of small enterprises should be assessed in a comprehensive manner. Enterprises which have passed the examination should be helped to consolidate and improve their achievements, so that they can operate with even greater vitality.

The leading member also urged all localities to make good use of the last 40 days of the year and complete reorganizing their enterprises with effective measures.

GU MU ATTENDS FORUM ON UNITED FRONT WORK

Stresses Democratic Parties' Role

OW212028 Beijing XINHUA in English 1452 GMT 21 Nov 84

[Text] Beijing, November 21 (XINHUA) -- State Councillor Gu Mu stressed here today that democratic parties and people's organizations in China are important forces for implementing the open policy.

Gu, who is also member of the Secretariat of the Communist Party Central Committee, urged Communist Party organizations and People's Governments at various levels to hold constant consultations and cooperation with such organizations on the reform of the economic structure and implementing the open policy, so as to win their support and get them to play a supervisory role. He made these remarks at a forum on united front work in the cities opening to the outside world.

China's policies on reform of the economic structure and opening to the outside world cannot be carried out smoothly without the cooperation and support of non-communist public figures, Gu pointed out. He said that democratic parties, federations of industry and commerce, and organizations of returned Overseas Chinese have wide connections with Hong Kong, Macao, and foreign countries.

Also, many of their members are experts, scholars and noted public figures. Gu expressed the hope that they would help the government to import foreign capital and advanced technology and equipment.

Gu also called on democratic parties and people's organizations to strengthen their overseas ties, inviting their friends, relatives and public figures of various circles to China or paying visits to them. The People's Government will give economic support and help overcome difficulties for this purpose, he pledged.

Gu commented that democratic parties and people's organizations had done good jobs in the construction of China's special economic zones. Most of the foreign investors there were originally introduced by them, he added.

Referring to the construction of the coastal cities opening to the outside world, he said that the number of agreements and contracts reached between the coastal cities and foreign investors this year was more than the total for the preceding five years. He stressed that these projects must be run successfully and ensure that foreign investors gain legitimate compensation.

Gu revealed that domestic and international telephone networks and a group of hotels will be completed in coastal cities by the end of 1985. It is expected that more investors from Hong Kong, Macao and foreign countries will come next year to hold talks on trade and economic cooperation, he added.

Discusses CPPCC Work

OW222008 Beijing XINHUA Domestic Service in Chinese 1403 GMT 21 Nov 84

[By reporter Zou Aiguo]

[Text] Beijing, 21 Nov (XINHUA) -- Gu Mu, member of the Secretariat of the CPC Central Committee and state councillor, said today: CPPCC organizations and various democratic parties have groups of intellectuals who have wide connections with foreign countries. We must bring their role into full play and whip up their enthusiasm in implementing the policy of enlivening the domestic economy and opening to the outside.

Gu Mu attended a forum this afternoon on united front and CPPCC work in the coastal cities that are opening to the outside world and in special economy zones. At the forum, he said: United front work is the CPC's great magic wand in scoring victories in revolution and construction. We must continue to carry out our work well on consolidating the patriotic united front, unite with all the forces that can be united with, and develop the socialist modernization program.

He said: A remarkable characteristic in China's new historical period is to concentrate our efforts in developing economic construction. In recent years, CPPCC organs, various democratic parties, and some mass organizations have brought into full play their predominance and have done a great deal of work in providing technical consultations, training talented people, and maintaining wide connections with foreign countries. No other organizations can possibly replace them in doing this kind of work. He emphatically pointed out: Without the cooperation and support of those non-party personages, we will not be able to successfully carry out China's economic structural reform and open up to the outside world.

Some of our comrades fail to understand this point, while others are even prejudiced. This is not right. We must correct this attitude. The departments concerned must adopt effective measures to earnestly implement the policy on united front work and let the non-party personages understand the situation and bring their role into full play.

Gu Mu said: The trend of developments has been excellent since the party Central Committee and the State Council decided to open 14 coastal cities to the outside world. However, we are still faced with many problems and need to exert strenuous efforts to do a great deal of work. He called on all CPPCC organizations, various democratic parties, and non-party personages to actively report the problems and the local situation to the authorities so that the work to open up the coastal cities to the outside will be carried out even better.

This afternoon's forum was presided over by Yang Jingren, vice chairman of the National CPPCC Committee and head of the United Front Work Department of the CPC Central Committee. Li Ding, deputy head of the United Front Work Department under the CPC Central Committee; Zheng Qun, head of the United Front Work Department under the Guangdong Provincial CPC Committee; Zhang Yaohong, deputy head of the United Front Work Department under the Shanghai Municipal CPC Committee; and Wan Guoquan, vice chairman of the Central Committee of the China Democratic National Construction Association, delivered speeches at the forum. Also attending the forum were Liu Lantao, vice chairman of the National CPPCC Committee; Li Gui, deputy head of the United Front Work Department of the CPC Central Committee; and Peng Youjin, secretary general of the National CPPCC Committee.

RENMIN RIBAO ON RECRUITING INTELLECTUALS FOR CPC

HK210824 Beijing RENMIN RIBAO in Chinese 20 Nov 84 p 1

[Commentator's article: "A Strategic Task in Building the Party"]

[Text] In defining the general goal and task of quadrupling the gross annual industrial and agricultural production output value by the end of this century at its 12th National Congress, the party explicitly put forward that it is imperative "to build the party into the strong core leading the undertaking of socialist modernization." In the course of party rectification, we must strive to solve the problem of discrepancies between the general cultural level of party members and the needs of building a high degree of material and spiritual civilization, while improving work style and purifying organizations.

The fundamental task of our economic construction at present is to develop the forces of production and to organize modern and socialized production on a mass scale in order to push forward the comprehensive reform of our country's economic structure. Therefore, the party must exercise scientific leadership. Numerous facts have shown that: If leading cadres, whether they are in organs at the higher level of cultural and professional knowledge and do not have modern scientific and technological knowledge and management knowledge, they will find it difficult to fulfill their duties in leadership work. Comrade Deng Xiaoping pointed out: Article 9 is the chief article of the CPC Central Committee's decision on reform of the economic structure, which demands respect for knowledge and talented people. However, of the more than 40 million party members at present, only 17.8 percent have received education at the senior middle school level or above and 4 percent have received tertiary education, while quite a large number have received only a primary education or are illiterate. Unless this state of affairs is changed, the party's leadership over the modernization program will certainly be hampered. Therefore, we must energetically strengthen training for existing party members in a planned way and encourage party members to become capable people through various forms of self-study.

At the same time, we must resolutely recruit large numbers of outstanding intellectuals into the party so that our party will have a sufficient number of party members with a knowledge of natural and social sciences to lead and promote scientific and technological progress and to make use of contemporary, new scientific achievements to smoothly carry out reform of the economic structure. This is a task of strategic significance in building the party in the new period.

There are many things to do and many problems to solve in recruiting intellectuals into the party. The most important question at present is to correct various "leftist" viewpoints and muddled understanding. For example, many comrades hold that the nature of the party will change with the increasing number of intellectuals in it. With regard to this problem, we will make a thorough analysis in another commentary. We believe that once these problems are made clear, the problem of the intellectuals having difficulties in joining the party will be smoothly solved.

DISCIPLINE INSPECTION COMMISSION ON PARTY STYLE

OW230133 Beijing XINHUA Domestic Service in Chinese 0740 GMT 21 Nov 84

[Excerpts] Beijing, 21 Nov (XINHUA) -- Comment by the Central Discipline Inspection Commission: The experience of the Xiaoshan County CPC Committee is of practical significance. Invigorating the economy and correcting party style are the main tasks set by the party Central Committee for the whole party in the new historical period. Correctly handling the relationship between the two tasks is an important matter. The experience of the Xiaoshan County CPC Committee has proven that invigorating the economy and correcting party style can certainly be grasped simultaneously. The two tasks are complementary.

At present, the whole party and the people of the whole country are studying and implementing the "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure." Under the new situation, party committees at various levels should all follow the example of the Xiaoshan County CPC Committee and grasp economic construction and the improvement of the party's style simultaneously and firmly implement the party Central Committee policy on building both socialist material and spiritual civilization.

Comrade Chen Yun recently pointed out: "The discipline inspection work should keep abreast of and be suited to the new situation. Party spirit, principle, and party discipline have nothing to do with the question of 'untying.' Without a good party style, we cannot do a good job in carrying out the reform work. Whether in the underground party period or the ruling period, the Communist Party must always adhere to the party's discipline."

Party committees and the party's discipline inspection units at various levels must seriously study and understand this important guiding ideology from Comrade Chen Yun and earnestly implement it in their actual work. They should center closely on the two major points of the reform of the economic structure and opening to the outside world and actively grasp the work of improving the party's style and strengthening party discipline in the light of actual situation of their own localities and departments so as to ensure the successful development of socialist modernization in our country. (end of comment)

The Xiaoshan County CPC Committee in Zhejiang Province has persisted in grasping economic construction and improving the party's style simultaneously. The guiding ideology of its work is "softening the policy, invigorating the economy, correcting the unhealthy tendencies, and strictly investigating and handling cases in violation of discipline." As a result, a heartening situation of economic development and good party style has emerged in the county.

Owing to the fact that the party committee of the county firmly grasped economic work and the improvement of party style simultaneously, the party style in the whole county has been significantly improved and economic construction has also registered relatively good progress. The total value of industrial output in the first half of this year rose by 115 million yuan as compared with that of the same period last year. The county's revenue increased by 11.6 million yuan during the same period. The output of early rice also set an all-time record.

JIEFANGJUN BAO ON WORKING AT GRASSROOTS UNITS

OW191155 Beijing Domestic Service in Mandarin 2230 GMT 18 Nov 84

[Text] JIEFANGJUN BAO reports that a certain corps under the Wuhan Military Region recently decided to abolish the regulation requiring leading cadres to go to selected grassroots units to gain firsthand experience, in order to give them more time at their leading jobs. The past practice of requiring leading cadres to go to grassroots units set excessive demands on them and was not conducive to overall Army building. After the regulation is abolished, the leading cadres should continue to pay attention to going deep into the realities of life and visit grassroots units. However, the performance of a unit in working for its subordinate grassroots units should be evaluated on its achievements in solving problems for those units and not merely on the number of days leading cadres stay at those units. The performance of leading cadres should be judged on their leadership over subordinate units at various levels and not merely on their attention to grassroots units.

PLA DAILY URGES PLA INSTITUTES TO COOPERATE

OW212325 Beijing Domestic Service in Mandarin 0200 GMT 21 Nov 84

[Text] According to JIEFANGJUN BAO, cooperation among PLA institutes and schools has developed gradually since 1980. So far, 9 teaching cooperation centers have been set up in Shijiazhuang, Zhengzhou, Nanjing, Xian, Beijing, Dalian, Changchun, Bengbu and Wuhan, and 80 institutes and schools and 13 military units and their research organs are participants in various cooperation programs. These centers, through organizing their member units to help and learn from each other, have achieved significant accomplishments, despite low budgets. In the sphere of scientific and academic research, these centers have made it a practice to pool their resources to tackle common problems, thus expediting the development and application of new technologies and new accomplishments and ensuring smooth progress in various research projects. These centers have also attached great importance to exchanging experiences and collecting and transmitting information. The 600 or so experience-exchanging or on-the-spot meetings they have so far sponsored have played a significant role in expediting the development and reform of various PLA institutes and schools. Their cooperation in the past several years shows that the establishment of the teaching cooperation centers has helped propagate advanced experiences, put equipment and research laboratories to better use, promoted exchange of information, and expedited reform and development of all PLA institutes and schools.

While publishing this report, JIEFANGJUN BAO also attaches to it a short commentary, which says: The teaching cooperation centers of PLA institutes and schools are a new development appearing in the upsurge of reform. They are a new achievement of the reform being carried out in various PLA institutes and schools. In the past, owing to historical reasons and other objective factors, PLA institutes and schools were unable to meet the needs of the new situation and new tasks.

Teaching behind closed doors was a conspicuous problem. We now realize that the practice of teaching behind closed doors, which will lead us nowhere, must be replaced by an open-door policy. To further upgrade their competency, PLA institutes and schools must forsake the conventional way of teaching behind closed doors. They must revitalize their operation through cooperating with other institutes and schools, and build themselves into vigorous, open training bases in which new information is available and academic research is active.

Today, PLA institutes and schools are commonly plagued by a shortage of competent teachers, funds, equipment, and laboratories. To solve these problems, they must cooperate with each other, help each other, and learn from each other so that their limited resources can be tapped more fully and effectively. We must forsake the small production mentality that we must be independent in doing everything, and we must not think that cooperation with other institutes and schools means an extra burden for us. Indeed, we must continue to promote cooperation throughout the military, and remove the barriers between various regions and departments so that reform in the military can be further expedited by various cooperation programs.

YUAN BAOHUA ON FACTORY RESPONSIBILITY SYSTEM

OW191201 Beijing XINHUA Domestic Service in Chinese 1811 GMT 17 Nov 84

[By RENMIN RIBAO reporters Dong Huanliang and XINHUA reporter Zhang Xingduan]

[Text] Nanjing, 17 November (XINHUA) -- Yuan Baohua, vice minister in charge of the State Economic Commission, stressed at the national forum on implementing the system of factory directors assuming full responsibility at selected points held in Changzhou today that it is essential to emphasize the factory directors' leadership over production, operations, and management. Enterprises may set up management committees to help directors in making decisions. However, they should not prevent directors from exercising their authority.

Since June this year, the system of directors assuming full responsibility has gradually been tried out at selected points across the country. In addition to the six pilot cities designated by the State Economic Commission -- Changzhou, Dalian, Beijing, Shanghai, Tianjin, and Shenyang -- more than 1,000 enterprises all over the country have adopted the system on an experimental basis.

Yuan Baohua pointed out that the introduction of the system of directors assuming full responsibility has brought profound changes to enterprises. With the establishment of the directors' authority, unified leadership over production, operations, and management has been strengthened, the decisionmaking process has been accelerated, command has become effective, and work efficiency has improved markedly. Yuan Baohua said that the introduction of the system involves various relations within enterprises. It is necessary to continuously study and solve new problems that may arise.

1. Entrusted by the state, the directors take full responsibility of unified production, operations, and management. The party committees of the enterprises may participate in discussions of major policy decisions but they cannot make decisions. Their sole function is to guarantee and supervise the implementation of decisions.
2. The major functions of party committee with regard to cadres concerns policy regarding cadres and is to ensure their political soundness. Appointments and promotions of administrative cadres are under the authority of the directors.

3. The authority of workers and staff members in democratic management should be guaranteed. The congresses of workers and staff members have the authority to examine and discuss major issues of production and management.

Yuan Baohua also recommended that the pilot enterprises set up factory management committees as part of the decisionmaking process of the enterprises. The function of these counseling organizations, made up mainly of the principal responsible persons of party committees and trade unions and the representative of workers and staff members, is to discuss major issues of production and management, but it is for the directors to make the final decision. They can also help coordinate relations among the various sectors of the enterprises.

COAL MINISTER ON INDUSTRY RESTRUCTURING

OW181453 Beijing Domestic Service in Mandarin 2230 GMT 15 Nov 84

[Text] Speaking at a national conference on coal work planning which opened in Tangshan yesterday, Gao Yangwen, minister of coal industry, said that at present a most urgent task on the coal production front is implementing an overall contract system in coal mines under the state monopoly of distribution which will guarantee output, investment, and the scale of construction, and which will take the responsibility of losses, thereby propelling the economic structural reform on the entire coal industrial front to continuously develop in depth and breadth.

Gao Yangwen said that to ensure the implementation of the overall contract system, the Ministry of Coal Industry will set up eight companies which will be on an equal footing with other coal enterprises. At the same time, an economic and technological research center will be set up to be a general consultative agency to the Ministry of Coal Industry.

Gao Yangwen stressed that the major tasks of the eight companies are to serve the coal production departments with capital, materials, technology, transportation, sales, and other services by complying with relevant economic policies and rules and regulations and by providing technological guidance and consultative services.

MA HONG EXPLAINS SOCIALIST COMMODITY ECONOMY

OW171209 Beijing XINHUA Domestic Service in Chinese 1623 GMT 16 Nov 84

[By reporter Wu Jincai]

[Text] Beijing, 16 Nov (XINHUA) -- Ma Hong, director general of the Technical Economics Research Center of the State Council and president of the Chinese Academy of Social Sciences, expounded on the theoretical basis of China's current reform of the economic structure at the situation report meeting held in the Great Hall of the People today. He pointed out that the theoretical basis for China to carry out a reform of the economic structure and practice the policy of invigorating the domestic economy and opening to the outside world is recognition that the socialist economy is a planned commodity economy.

The report meeting was sponsored by five units, including the CPC Central Committee's Propaganda Department. It was attended by 8,000 cadres of the central state organs, various general departments of the PLA and Beijing Municipality, and personages of the academic circles.

Ma Hong reviewed the changes in people's understanding of commodity economy's role during the period of socialism. After citing the relevant theses of Marx, Lenin, and Stalin, he said that in the past 100 or more years there has been constant change and development in the Marxists' view of the socialist commodity economy.

Our understanding has also gone through a winding course. In the last 5 years, we have achieved results in implementing the policy of invigorating the domestic economy and opening to the outside world, including the successes we have achieved in the reform of the urban, and particularly the rural, economic structure. As a result, there has been an even deeper understanding than before of the nature of socialist economy and of the importance and significance of the development of socialist commodity economy.

Ma Hong said: Socialist economy is a planned commodity economy based on the system of public ownership. Why do we say socialist economy has the attributes of a commodity economy? The reasons are found in two aspects. One is that there is a vital foundation and condition -- social division of work -- in a socialist society from which the commodity economy may emerge and develop. The other is that there exist in the socialist economy different economic entities of independent economic interests -- enterprises of various types -- and contradictions between socially necessary labor and locally needed labor; consequently, there is a disparity between the material interests of different people. Commodity economy is one of the inherent attributes of socialist economy. It is incorrect to regard commodity relations as alien to socialist economy. Ma Hong pointed out that it is impossible to attempt to promote the drive for socialist modernization on the basis of natural economy without making vigorous efforts to develop socialist commodity economy. At the present stage, the development of socialist commodity economy in China means the development of China's social productive forces and the advance of China's drive for socialist modernization.

Ma Hong went a step further to analyze the two major characteristics of socialist commodity economy. First, socialist commodity economy is built on the basis of public and not private ownership. Second, socialist commodity economy develops in a planned way on the premise that planned economy is practiced by the whole society and not an anarchic commodity economy.

In conclusion, Ma Hong said: China's socialist economy has operated for a long time under an economic system which was established by administrative means. This system places the entire economy under very rigid control and hinders technical progress, the development of production, and the improvement of economic results. Then why is it that no change in this unreasonable system has been made for such a long time? This is directly related to our long inability to theoretically break free of the influence of natural economy and our refusal to recognize socialist economy as a planned commodity economy. Only when we clearly call for the vigorous development of socialist commodity economy will it be possible for us to act under the guidance of the national economic plan and more successfully use the law of value, enliven the economy, and give impetus to the vigorous development of the social productive forces.

GOVERNMENT OFFERS AID FOR SMALL POWER STATIONS

OW221023 Beijing XINHUA in English 0714 GMT 22 Nov 84

[*"Government Offers Aid for Small Power Stations by Correspondent Xu Liangji"* -- XINHUA headline]

[Text] Changsha, November 22, (XINHUA) -- Chinese peasants can now rely on the government for low-interest loans and subsidies to build small hydroelectric power stations.

In Hunan Province, such loans and subsidies have in recent years averaged 100 million yuan annually, according to official source here. In Pingjiang County, the government has provided nearly a quarter of the funds for building small power stations.

Pingjiang is one of the 100 Chinese counties chosen to pioneer rural electrification. It now has 113 small power houses, supplying 80 percent of local households.

In the Chinese technical terminology, "small power stations" refer to those with a power-generating capacity of not more than 12,000 kilowatts. However, projects with a generating capacity up to 500 kilowatts are given priority in the allocation of funds, because they can be built along streams with a waterhead of only a few meters.

Hunan has 9,000 small power stations. These have a combined generating capacity of 910,000 kilowatts -- the third-highest in China, after Guangdong and Sichuan Provinces.

Such stations in 1983 produced 2.3 billion kilowatt-hours of electricity, supplying 46 percent of the province's 10,730,000 peasant homes. Fifty of the 88 counties in the province, rely mainly on small power stations for electricity. Government assistance also includes training people to run the stations. More than 1,100 skilled workers and managers from Pingjiang County have been trained.

In Pingjiang, as elsewhere in the province, geological surveying and designing for small power stations are usually carried out by local government power departments. The peasants who build these small power houses can sell electricity at prices higher than that fixed by the government for national and regional power-supply networks. Officials say that small power stations help prevent ecological problems resulting from energy shortages.

In addition to 5,400,000 tons of coal, they say, an annual average of 18 million tons of firewood and 11 tons of plant stalks were burnt for cooking and heating in Hunan's rural areas. In many places, shortages of firewood could last as long as three months of a year, and peasants sometimes had to fell trees for fuel illegally. Small power stations are also expected to boost China's rural industries.

BUILDING ENGINEERS, ARCHITECTS TO FORM OWN FIRMS

HK210453 Beijing CHINA DAILY in English 21 Nov 84 p 2

["Special to CHINA DAILY"]

[Text] The country's construction engineers and architects have been given the go-ahead to form individual companies.

A State Planning Commission proposal, approved by the State Council, encourages construction engineers and architects who currently work under government ministries and commissions to gradually separate themselves from government offices to form their own design firms. The reform will allow them, after fulfilling tasks assigned by the state, to bid for outside contracts. They will also be allowed to charge fees for their service. This is a major change from the old system under which architects worked for only one ministry. No outside work was permitted. Under the old system, construction engineers and architects received a fixed government budget regardless of how much work they undertook.

The system encourages architectural firms to support themselves. But government funds will still be available during the transition period. A responsibility system will be introduced to make sure that individuals who make greater contributions get greater rewards.

Architects will also enjoy greater academic freedom under the new system. Leading government officials who used to have the final word on construction plans will lose that privilege under the new system. Architects will be responsible for their work. Some may even have their names carved on an outer wall of buildings they have designed.

Independent construction consulting companies, construction contract companies, and specialized design firms may be established under the reform.

The reforms also call for foreign companies planning projects in China to take Chinese partners; collectively owned and private firms to be allowed to compete with state run firms under a bidding system; and, architects employed by the state to be allowed to drop out to start private businesses.

ECONOMIC PROGRESS ACHIEVED IN FIRST 10 MONTHS

OW222354 Beijing Domestic Service in Mandarin 1200 GMT 20 Nov 84

[Text] China's economic front achieved good results rapidly in the first 10 months this year. The goal of increasing output value, taxation and profit, and state revenue set by the national economic work conference early this year has been realized throughout the country.

From January to October, the total output value of state industrial enterprises rose by 10.5 percent compared with that of the same period last year, while taxation and profit rose by 12.3 percent, and state revenue by 15.4 percent.

Economic development in the first 10 months of this year displays the following special characteristics:

1. The rural economy has been developing in breadth and depth. The peasants have started to invest more funds in procuring tractors, motor vehicles, agricultural machinery, chemical fertilizers, and insecticides. They are vigorously engaged in setting up township enterprises, commercial work, and transportation businesses. It is expected that the total grain output this year will exceed 800 billion jin, approximately 25 billion jin over last year's output. The total cotton output will exceed 110 million dan, increasing by 20.5 percent over last year's.
2. Industrial production has been developing steadily in a balanced manner. The total value of industrial output in the first 10 months reached 567.9 billion yuan, increasing by 12.7 percent compared with that of the same period last year. Light industry output this year rose by 12.3 percent while heavy industry rose 13.1 percent, the ratio between them being maintained at 49 to 51.
3. The energy industry has had the most rapid development in recent years. From January to October, total energy production reached 620 million metric tons of standard coal, increasing by 8.8 percent compared with the same period last year.
4. State revenue and expenditures are in relatively good balance. In the first 10 months, total state revenue reached 114.5 billion yuan, increasing by 19 percent compared with those of the same period last year. State revenue is 2.6 billion yuan more than expenditures.
5. There were unprecedented activities in circulation with many economic forms, operational methods, and channels of circulation.
6. Technological transformation and imports of foreign technology were expedited.

IRON, STEEL OUTPUTS OVERFULFILL ANNUAL PLAN

OW221351 Beijing XINHUA in English 1322 GMT 22 Nov 84

[Text] Beijing, November 22 (XINHUA) -- China's iron and steel makers have overfulfilled the annual plan ahead of schedule, producing 38.61 million tons of steel, 35.57 million tons of pig iron and 30 million tons of rolled steel up to this Tuesday.

A spokesman for the Ministry of the Metallurgical Industry said here today that production of steel was up 8.9 percent, pig iron 7.3 percent and rolled steel 9.8 percent over the same period a year ago.

Annual steel output was expected to hit 43 million tons by the end of this year, three million tons over last year, the spokesman said. Profit and taxes from the industry would exceed 10 billion yuan. China produced 40.02 million tons of steel last year to rank fourth in the world after the Soviet Union, Japan and the United States. The steady gains in iron and steel outputs in the past few years should be attributed to the Chinese Government's policy that has enlarged the decision-making power of enterprises and closely linked workers' welfare with production, he said.

The Anshan Iron and Steel Company -- the first and largest iron and steel producer in the country -- turned out 6.16 million tons of steel by November 20. It will produce more than 6.9 million tons for the whole year.

Shanghai, which with 10 steel mills ranks second in steel output in China, produced 4.76 million tons of steel, fulfilling the annual plan ahead of schedule. Large enterprises apart, the country's 180 smaller mills have all completed the year's plans for steel, pig iron and rolled steel.

Salient points of iron and steel production in 1984 are:

-- Balanced production and steady increase. Daily steel output in four of the first ten months exceeded 120,000 tons, a record.

-- Improvement of quality and more varieties of rolled steel than last year.

-- Remarkable results in energy saving. Major mills this year used 1.322 tons of coal to produce one ton of steel, down 51 kilograms from last year. Medium-sized mills used 110 kilograms less than last year.

With rapid economic development, there is large-scale construction countrywide. Iron and steel outputs fall short of the demands of light industry and the automotive, building and machinery industries, which want to boost production.

China has now 13 large iron and steel mills, each with an annual capacity above 1 million tons of steel, 38 medium-sized mills, each with an annual capacity of 100,000 to one million tons. But most equipment and production facilities are 20 or 30 years old, with only some advanced equipment in mills built in the 1970s and 1980s.

Speaking about ways to develop the industry, Premier Zhao Ziyang said it was faced with a technological revolution. Large-scale technical upgrading is in full swing throughout the country.

ANHUI HOLDS FORUM ON CHANG JIANG ECONOMIC BELT

HK190320 Hefei ANHUI RIBAO in Chinese 8 Oct 84 p 1

[Report: "Provincial CPC Committee and Government Hold Forum To Discuss the Problem of Building the Chang Jiang Economic Belt"]

[Text] Not long ago the provincial CPC Committee and the provincial government held a forum in Hefei on the construction of the Chang Jiang economic belt. Comrade Liu Yong, vice governor of the province, presided over the forum and Comrade Huang Huang, secretary of the provincial CPC Committee, attended all sessions of the forum and gave an important speech.

Over 40 people attended this forum, including the responsible persons of Wuhu, Anqing, Maanshan and Tongling Cities and of the commissioner's offices of Anqing and Chaohu Prefectures; as well as the responsible comrades of the provincial Planning and Economic Committees, the provincial Economic and Cultural Research Center, the Institute of Social Sciences, and the provincial departments of finance, external relations and trade, banking, and agriculture, animal husbandry and fishery.

Discussion at the forum centered on the major positions and role of the areas along the river in our province, the necessity in developing the Chang Jiang economic belt, the orientation of development of this belt, key issues in the construction of this belt, and the policies and measures that should be adopted in the construction. The six cities and prefectures along the river briefed the forum on their plans and tentative ideas and put forth their suggestions for speeding up the construction of the Chang Jiang economic belt. The comrades of the relevant departments directly under the provincial authorities expressed their opinions on the questions of how to satisfactorily develop the Chang Jiang economic belt and streamline government administration.

The forum held: Our province's Maanshan, Wuhu, Tongling and Anqing Cities and Chaohu and Anqing Prefectures are situated in the middle reaches of the Chang Jiang and are an area with rich resources, have convenient communications facilities, and possess about one-third of the province's gross industrial and agricultural output value. This area has a relatively satisfactory existing economic foundation and huge latent potentials for future development. The idea that the provincial CPC Committee and government has put forth on turning this best area into a developed economic zone is of great strategic significance for revitalizing Anhui's economy and is a correct idea that has been put forth in light of the reality.

In accordance with the guiding thinking put forth by the provincial CPC Committee and government on "developing industry and commerce simultaneously, cooperating with areas both inside and outside the province, combining the development of both urban and rural areas, allowing each district to have its own specific characteristics, and carrying out comprehensive development" in the construction of the Chang Jiang Economic Zone, all participants held that building the Chang Jiang Economic Zone meant that we must develop the area along the river in our province into an open-type economic zone with diverse functions, diverse tiers, diverse undertakings and diverse economic factors. Developing industry and commerce simultaneously means that we should start from regarding industry as the foundation, give play to the advantages of trade, use trade to promote the development of industry, make the two undertakings rely on each other, and thus achieve the simultaneous development of them.

In developing our industry we should mainly rely on technological transformation, reconstruction and extension of existing enterprises; should focus on developing the iron and steel, nonferrous metallurgical, chemical, building materials, machine building, electronic, shipbuilding, light, textile, food and other major industries; and should establish a rational product mix and structure of industry. Centering on the construction of industry, we should strive to develop trade, in particular the tertiary industry, such as commerce, service trades, transportation, tourism, and information service in order to promote the all-round development of our economic construction. Cooperating with areas both inside and outside the province means that we should strengthen cooperation with areas both inside and outside the province and both at home and abroad and carry out a policy of opening up to the external world. The cities along the river such as Wuhu and Anqing have long been well-known commercial ports and have some foundation for developing foreign trade. What we should do now is to bravely utilize foreign funds, introduce technology from abroad, and turn the cities along the river as soon as possible into "windows" for opening up to the external world. On the basis of the principle of equality, mutual benefit and voluntary participation, we should develop diverse forms of economic and technological combinations and cooperation with areas both inside and outside the province and with areas both at home and abroad. We should strive to manage to utilize the two kinds of resources, open up the two kinds of markets and learn two sets of abilities. Combin'g the development of both urban and rural areas means that we should regard our cities as the centers, small towns as strong points and our rural areas as the foundation and thus combine industry and agriculture. In the sphere of urban construction, we should speed up the development of reforms, establish an open-type and well-interconnected economic management system, correctly handle the relations between the state and enterprises and further expand the decisionmaking power of our enterprises.

In the sphere of developing our rural areas, we should continue to consolidate and develop diverse forms of the agricultural production responsibility system, vigorously develop economic units at the county level and township and town enterprises and satisfactorily grasp cultivation, breeding industry and diversified undertakings with the development of agricultural and sideline products processing industry and mining industry as the focus. We should give full play to the role of our cities as economic centers and form, as soon as possible, a new type of economic structure that combines the urban and rural areas and combines industry and agriculture. Allowing each district to have its own specific characteristics means that we should plan the layout of the productive forces in the manner of seeking truth from facts, suit measures to local conditions and let each area have its own respective focus of development. All areas should undertake deep investigation and study, analysis, and reasoning and separately draw up their respective orientations of development. Those that are suitable to develop industry should develop industry; those that are suitable to develop agriculture should develop agriculture; and those that are suitable to develop commerce should develop commerce. We should not adhere to uniformity and allow diversity in forms. By so doing we will enable all areas to give play to their advantages, utilize their strong points to offset their weak points and develop their own specific characteristics. Carrying out comprehensive development means that we should implement a general strategy of carrying out all-round development of production, trade, shipping, science, education, tourism and service trades and thus be geared to the needs of modernization, the world, and the future.

The forum held that the construction of the Chang Jiang economic belt is a major policy decision that the provincial CPC Committee and government have put forth since it made a reunderstanding of the realities in Anhui during the period of party rectification. For Anhui, grasping the Chang Jiang economic belt means grasping a major strategic issue that will have a profound impact on the economy of the whole province.

In order to achieve this aim, we should do a good job of planning, give guidance according to different fields of work, stress the technological transformation in our existing enterprises and reforms in our economic management system, and establish a open-type and well-interconnected economic management system. In the near future we should complete the transformation of most of the backward equipment in our enterprises. At the same time, we should grasp the construction of some new projects that will provide good economic results, expand our production capacity, and speed up the development of our economy. We should continue to implement our policies toward the intellectuals and we should especially stress strengthening study by our cadres, train them to have pioneering spirit and to have the courage to forge ahead, and enable them to acquire the ability to solve complicated problems. We should pay attention to acting in accordance with economic laws, attach importance to economic results, satisfactory develop horizontal links and strengthen economic cooperation.

The forum held: Building the Chang Jiang economic belt is a magnificent and complicated systematic project, and this forum is only a beginning of the project. The prefectures and cities along the river can hold some meetings to carry out the work of reasoning. The general principle is that we should separate government administration from enterprise management, streamline and decentralize our administration, carry out reforms in some major spheres such as the spheres of planning, finance, credit, pricing, and foreign trade, and gradually transfer power downward. The leading groups at all levels should conscientiously study and strengthen their leadership over the work in drawing plans for the construction of the Chang Jiang economic belt and in implementing these plans.

ANHUI STRESSES DEVELOPMENT OF TERTIARY INDUSTRY

HK190431 Hefei ANHUI RIBAO in Chinese 15 Oct 84 p 2

[Article by Deng Zemin, director of provincial Labor Bureau: "Develop the Tertiary Industry, Open All Avenues for Employment"]

[Text] During a recent inspection tour in our province, Premier Zhao Ziyang repeatedly emphasized the necessity of vigorously developing tertiary industry. The term tertiary industry is used in contrast with the primary and the secondary industries. In a broad sense, all service trades which make the people's daily life more convenient can be called branches of the tertiary industry.

The development of the tertiary industry is a need determined by socialist construction and the people's daily life. Due to the influence of "leftist" ideology over a long period of time, we did not have a correct understanding of the relationship between production and consumption, or even equated consumption to the capitalist life-style. As we have failed to attach due importance and give necessary support to tertiary industry, we have lagged far behind in this field and have failed to keep in line with the actual needs of socialist construction and the people's daily life. The current problem of shortage of catering service, hotel accommodation, communications facilities, tailors, child-care service, and bath houses is a conspicuous example to illustrate the situation. Following the continuous improvement of the people's living standards, the masses' demands for consumer goods and various kinds of services are growing daily. All these problems must be solved and can only be solved through the development of tertiary industry.

Developing tertiary industry is one of the important ways to solve the problem of employment in cities and towns. Since the 3d Plenary Session of the 11th CPC Central Committee, our province has arranged jobs for nearly 1 million job-awaiting youths in cities and towns. Most of these people are engaged in tertiary industry. Among more than 15,000 new collective economic units currently operated by young people in cities and towns throughout the province, 70-80 percent can be classified as tertiary industry.

The documents concerned show that laborers engaging in tertiary industry in capitalist countries account for 70 percent of their total labor force. The percentage of our labor force involved in tertiary industry ranges from 20 to 30 percent. Such an employment setup must be changed. Tertiary industry can accommodate many people. In the long-term, the fundamental way to solve the employment problem of youths in cities and towns lies in the development of industry.

Then, what branches of tertiary industry should be developed at present? In light of the actual situation in our province, I think we should pay attention to the following 10 aspects:

1. "Food." it is necessary to develop the catering industry, especially the production of finished products made of meat, eggs, and milk, so as to meet the people's growing demand arising from upgraded living standards and to change our people's diet step by step. At the same time, we must also develop the local traditional catering trade in real earnest. We must let different food shops and stalls play their own roles. We must not only supply sufficient food to customers but must satisfy them with local flavor.

2. "Lodging." It is necessary to develop hotel accommodation, amend our pace in building hotels and hostels of varying sizes, improve service quality, and increase the variety of service so as to cater to the different needs of various types of customers.

3. "Clothing." It is necessary to develop the garment industry and supply people with prettier clothes. We must develop the garment processing industry and sale promotion trade and solve the problem of "shortage of tailors and ready-made garments." Now, professional fashion shows have gradually drawn people's attention. This is a breakthrough in the garment sales promotion trade.

4. "Daily necessities." It is necessary to produce and ensure the supply of all types of daily necessities and constantly replace the old generation of products with the new generation. It is necessary to improve the quality of the "three old major commodities" and vigorously develop the production of the "four new major commodities" to meet the people's needs.

5. "Communication services." It is necessary to make use of all available modern facilities to develop public communications services, tap various resources to develop car hiring services, and cater to the special needs of different customers.

6. "Repair services." It is necessary to develop various kinds of repair service so as to save old and worn-out articles.

7. "Recreational services." It is necessary to develop tourism and its affiliated production and service trades, tap all tourist resources, and train professional and part-time tourist guides. It is necessary to build various types of recreational facilities to beautify the people's living environment and help people to develop their intelligence and to carry out ideological education by promoting recreational activities.

8. "Education." It is necessary to develop education, science, sports and physical training, and public health services, and to train various types of qualified personnel who are morally, intellectually, and physically developed to meet the needs of the four modernizations.

9. "Labor services." It is necessary to organize and provide various types of labor services, develop child-care services, reduce people's household work labor intensity, and emancipate them from their trouble back at home.

10. "Information services." It is necessary to open up information channels, strengthen the transmission and exchange of information, and provide various forms of consultative service.

The above service trades must be developed step by step in light of local conditions while their variety is increased and quality improved gradually. As the people's livelihood is improved and there is a greater and greater demand for high-grade commodities, it is necessary to pay attention to the development of high-grade commodities.

In order to develop the tertiary industry very soon, we must enhance our understanding and strengthen leadership. We must encourage the collective and the individual to run service trades along with state-run enterprises and let every part play its own role. It is necessary to pay special attention to the development of collective enterprises. We must do a good job in overall planning and place stress on certain sectors based on the specific circumstances in different industrial and mining enterprises, tourist sports, central cities, and rural areas. By and large, we must adopt all practical and effective policies and measures to effect a great development of the tertiary industry in our country within a relatively short period, fulfill the people's evergrowing material and cultural needs, and serve the four modernizations.

Commentator on Tertiary Industry

NK190955 Hefei ANHUI RIBAO in Chinese 4 Oct 84 p 1

[Commentator's article: "There Are Bright Prospects in Developing Tertiary Industry"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, following the rapid development of China's economy, the income and consumption levels of the urban and rural people have markedly improved and their demands for better everyday services have become more urgent. Although our service trades have developed tremendously in recent years, they still fail to keep pace with the growing population and the needs of the people. The workers and staff members have to spend a lot of energy on household chores. People going on a journey are often confronted with transport, lodging, and other inconveniences. Because logistic support has failed to keep pace with the developing situation, the production and economic results of the industrial departments have also been affected to some extent. For this reason, vigorously developing tertiary industry, including commerce, transport, posts and telecommunications, medical service, public health, residential apartments, food and drink, repairs, and other service trades, has become an urgent demand for China's for China's social development.

The development of China's tertiary industry lags far behind material production and the people's everyday needs. The main cause for this is that for a long time in the past we have underestimated consumption and the tertiary industry.

It should be noted that the continued expansion of the tertiary industry is also a trend of social development. With the progress of science and technology and the improvement of labor productivity, major changes will certainly take place in the employment composition of society. The number of people directly engaged in material production will decrease while the number of people engaged in services trades will greatly increase. The household chores carried out in thousands upon thousands of households will gradually be more effectively organized and a number of self-service items will be socialized, thus, greatly improving labor productivity. Since the 1960's the number of people employed in commerce and service trades has increased most rapidly in the developed countries.

The employment figures in the service trades in these countries have exceeded 50 percent of the total employment figures and in some countries the employment figures are even more than 60 percent. It can thus be seen that the more developed the social economy, the more people are engaged in tertiary industry.

In developing urban tertiary industry, it is first necessary to change the idea of all localities running industry and gradually solve the socialization of public utilities. Running their own public utilities, many large enterprises and units have become small societies. This problem cannot be solved at once. We can consider solving this problem in two steps: First, turn the public utilities in every enterprise into an enterprise instituting independent account; second, combine them on a regional basis and effect socialization. After the separation of the functions of the government and enterprises, the cities should place the focus of their work on service trades and civil engineering projects and engage in various service trades. The cities and localities engaging chiefly in industrial production and mining, in particular, should energetically develop the tertiary industry, serve the enterprises more satisfactorily, and make things more convenient for the workers and staff members in the mining areas. There is no need for all enterprises to engage in service trades.

In developing tertiary industry, we should proceed from reality and adjust measures to local conditions. For example, being rich in tourist resources, our province has a great potential to develop the tourist trade. In Huangshan alone we can receive more than 1 million tourists every year and, during the busy season, more than 10,000 people go up the mountain every day. This is an extremely good service market, where we can build hotels, set up restaurants and photo studios, conduct sightseeing tours, and so on. However, the tourists have a lot of complaints about the food and lodging. The key to the development of the tourist trade lies in arousing the initiative of all quarters and not taking on everything ourselves. It is necessary to bring the initiative of the state, the collective, and the individual into play under unified planning and management and to allow people to open household-run hotels and restaurants. In this way we can solve the problems of the tourists in food and lodging, thus making things convenient for the tourists and increasing the income of the people concerned.

Not only the cities but also the rural townships should develop tertiary industry. The current service trades in rural townships still fall a short of the needs of the residents in their daily life, making things inconvenient for them in many ways. Although in easy circumstances, they do not have cinemas to go to. They cannot repair their TV sets, radio sets, or watches when these things are out of order. They have to go a long distance if they want to take a bath or have a photo taken. All this has greatly hindered the peasants from raising their consumption level. It is necessary to formulate plans for the development of tertiary industry in rural townships, first doing a good job of those service items urgently needed by the residents and then gradually improving the service quality.

With the exception of public utilities, the everyday service items in the tertiary industry are generally simple in structure. Numerous in forms, they need little investment and have a high capital turnover, making it relatively convenient for individual operation. Therefore, not only is it necessary for state-run and cooperative service trades to energetically tap the potential, to carry out innovation, to institute numerous forms of the economic responsibility system to strive to improve labor productivity, and to improve service quality but also to support and encourage individuals to engage in service trades.

Some service items can be operated by the collectives if the state enterprises do not engage in them and they can be operated by individuals if the collectives do not engage in them. The cost for the service can be adjusted according to the market conditions provided that the buyers are willing to buy, the sellers are willing to sell, and the renters are willing to rent.

Developing tertiary industry can make things convenient for the people, increase employment opportunities, promote the development of production, and bring about a prosperous economy. It is necessary to develop tertiary industry now but even more so in the future. The leading party and government comrades at all levels must discard the obsolete guiding ideology that lags behind the times and adopt practical and effective measures to develop tertiary industry.

ANHUI COMMITTEE NEGATES CULTURAL REVOLUTION

HK170539 Hefei ANHUI RIBAO in Chinese 18 Oct 84 p 1

[Report: "Provincial Planning Committee Conducts Education on Negating 'Cultural Revolution' in Connection With Reality"]

[Text] In the course of conducting thoroughgoing education on totally negating the "Great Cultural Revolution," the provincial Planning Committee has grasped the focal points, solved some major problems concerning ideological understanding, and achieved satisfactory results.

First, the question of should the "Cultural Revolution" be totally negated was solved. In the past, some comrades' understanding of negating the "Cultural Revolution" remained at the perceptual stage or they thought of negating only certain aspects and other people. For example, they realized that the "Cultural Revolution" was wrong in general, but it was effective in eradicating the bureaucratic work style of cadres at various levels. The essence of this idea is that the "Cultural Revolution" must not be totally negated. Through discussion, everyone realized that the assessment of 70 percent achievements and 30 percent mistakes or 80 percent achievements and 20 percent mistakes should not be applied in the question of the "Cultural Revolution" and that the "Cultural Revolution" must be totally negated since it was "initiated by a leader laboring under misapprehension and capitalized on by counter-revolutionary cliques which led to domestic turmoil and brought catastrophe to the party, the state, and the whole people" as pointed out in the "Resolution on Certain Questions in the History of our Party Since the Founding of the PRC." Under the slogan of "criticizing the persons in power within the party taking the capitalist road," the "Cultural Revolution" attacked veteran cadres like enemies. As a result, many veteran comrades were attacked and persecuted to death. This is absolutely not a question of eradicating the bureaucratic work style of leading cadres, but a matter of destroying the backbone forces of the socialist cause.

Second, the question of eliminating factionalism and strengthening the party spirit was solved. In the beginning a number of comrades held that some comrades of the planning committee were transferred from other units after the "Cultural Revolution" and some were assigned recently from among graduates; therefore it was not appropriate for them to eliminate factionalism. Through study and discussion, everyone realized that such view was one-sided. Although most of the comrades were not in the planning committee during the "Cultural Revolution," they all underwent the process of the "Cultural Revolution." Even young comrades were affected in varying degrees by the pernicious influence of factionalism. Therefore they should sum up experience and lessons from the high plane of totally negating the "Cultural Revolution" and should eliminate the remnants of factionalism and strengthen the party spirit. Some comrades said that although the criticism of factionalism has been carried out for years, the remnants of factionalism still exist in various forms. For example, the progress of investigation work in some units is slow.

Why? One of the fundamental reasons is the trouble caused by factionalism. Instead of providing evidence and exposing the facts, some comrades have forsaken the party's principles, which made it difficult to clarify the facts and to draw conclusions. In ideological feelings, some comrades are willing to get along only with the people of their own faction, but are hostile to people of the opposite faction. Third, the question of drawing lessons from the "Cultural Revolution" and eliminating the pernicious influence of the "left" deviation was solved. The comrades who were criticized during the "Cultural Revolution" regarded themselves as victims; those who were labeled "royalists" held that they protected veteran cadres; and those who took part in rebellion held that they did not do any bad deed but just "responded to calls and rose in rebellion according to orders." In a word, they held that they did not have anything to do with the negation of the "Cultural Revolution." After studying and conducting discussion, everyone realized that the purpose of the education on negating the "Cultural Revolution" was not to demand that everyone make a self-criticism or to bear responsibility, but to deepen their understanding and draw lessons through studying and to further eliminate the "leftist" pernicious influence. Because everyone carried out activities at that time under the guidance of the erroneous theory of "continuing the revolution under the dictatorship of the proletariat," they have plenty of experience to sum up. As they heightened their understanding, some comrades examined on their own initiative their problems of confiscating people's property and attacking and criticizing leading cadres during the "Cultural Revolution." They also expressed their determination to draw experiences and lessons from the mistakes they committed.

SU YIRAN RECEIVES YANAN DELEGATION IN SHANDONG

SK230331 Jinan Shandong Provincial Service in Mandarin 2300 GMT 22 Nov 84

[Text] After its visit to Zibo City, the 10-member Yanan City investigation and visiting delegation arrived in Jinan on the morning of 22 November. In the afternoon, leading comrades of the provincial CPC Committee and the provincial People's Government, including Su Yiran, Liang Buting, Lu Maozeng, Li Changan, and Li Zhen, received an feted all members of the delegation at the Nanjiao Hotel, and had a cordial conversation with them.

On behalf of the provincial CPC Committee and the provincial People's Government, Comrade Su Yiran warmly welcomed the delegation. He said: Yanan is famous revolutionary spot, and our Boshan area is also an old liberated area. Establishing sisterly ties between Yanan and Boshan has important and immediate significance in promoting our province's economic development. I hope that the two areas will learn from each other, make up for each other's deficiencies, and advance side by side on the road to prosperity.

(Gao Zhongtian), deputy secretary of the Yanan City CPC Committee and mayor of the city, said: While visiting Shandong this time, we were warmly received by the Shandong Provincial CPC Committee and the provincial People's Government and by the Zibo City CPC Committee and the city People's Government. We would like to express our thanks to you. During our current visit to Shandong, we have learned many good ways to become prosperous. We pledge to popularize these good experiences after we return to our city, and let them blossom and bear fruit. On behalf of the provincial CPC Committee and the provincial People's Government, Su Yiran, secretary of the provincial CPC Committee and the provincial governor, presented a color brass plate to Yanan City delegation amid warm applause, and posed for a group photo with all members of the delegation. In the evening, the provincial CPC Committee and the provincial People's Government held a banquet at the Nanjiao Hotel to entertain the guests from Yanan.

GUANGDONG PROHIBITS JOINT-VENTURE ENTERPRISES

HK230353 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 22 Nov 84

[Text] The Guangdong Provincial Foreign Economic and Trade Commission yesterday issued a circular, prohibiting all localities from running joint-venture or cooperative commodity sales and import and export enterprises. This decision was made in accordance with the instructions of the provincial People's Government.

The circular points out that by running such enterprises with foreign firms, no advanced technology or equipment is imported and no products are produced. Most of them are engaged in importing foreign goods and selling them both inside and outside our province or engaged in various import and export trades. This does not conform to the stipulations of our country on the main trades and orientation of joint ventures with foreign firms. The circular stipulates that no localities are allowed to talk, and sign agreements and contracts with foreign firms on running this kind of joint-venture and cooperative enterprise. If such agreements and contracts have already been signed, they will not be approved by the departments in charge at all levels and will not be registered or issued operation licenses. As to those which already have operation licenses, they are allowed to run their business until the expiration of the originally approved deadline. But they must not extend the deadline. The circular also stipulates that the sale of imported goods must be strictly controlled in the shopping arcades of the guesthouses and hotels jointly run by Chinese and foreign firms.

GUANGDONG CRITICIZES PAPERS AS 'RAT DROPPINGS'

HK230407 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 22 Nov 84

[Text] Yesterday, YANGCHENG WANBAO carried a newsletter entitled "Beware of These Rat Droppings -- On the Unhealthy Tendencies of Some Small Papers in Guangzhou." The newsletter points out that at present, some small papers, published either in Guangzhou's street news-stands, which carry some absurd and odd stories and fabricated inside stories, or deliberately depict and spread horrifying cases of immoral behavior, or vulgarize severe political struggles by fabricating the so-called unofficial history and scandals in order to gain higher profits. Some of them have even printed nude pictures as illustrations.

The newsletter points out that quite a few readers have criticized the unhealthy tendencies of certain small papers and hope that they can get more wholesome and good spiritual food so that they can acquire more scientific knowledge and be educated in morality and ideology.

QIAO ATTENDS GUANGXI GROUP'S FOUNDING MEETING

HK211422 Nanning Guangxi Regional Service in Mandarin 1130 GMT 20 Nov 84

[Excerpt] The Nanning People's Insurance Promotion Association was set up in Nanning on 11 November. Comrade Qiao Xiaoguang, first secretary of the regional CPC Committee, attended the establishment meeting. Comrade Qiao Xiaoguang and Comrade Qin Yingji, chairman of the regional CPPCC Committee, respectively wrote inscriptions for the association: There are bright prospects for the insurance cause and the insurance cause brings benefits to people.

Eight regional leading comrades, including Qin Yingji, Lin Kewu, Mo Naiqun, and (Luo Ming), are honorary presidents of the Insurance Promotion Association. Nanning Mayor (Gan Qiarsmao) was elected president of the association.

GUANGXI STANDING COMMITTEE MEETING CLOSES

HK221134 Nanning Guangxi Regional Service in Mandarin 1130 GMT 21 Nov 84

[Text] The 11th meeting of the 6th regional People's Congress Standing Committee concluded in Nanning this afternoon. The meeting adopted certain Guangxi regional regulations on the protection of the legitimate rights and interests of the women and children and on appointments and removals.

Attending the meeting were Huang Rong, chairman of the regional People's Congress Standing Committee; and Li Yindan, Zhao Mingjian, Wei Zhangping, Gan Huaiyi, and Zhang Jingning, vice chairmen. Zhong Feng presided over this afternoon's meeting and spoke. He said: Before this meeting started, we spent 2 days studying and discussing the CPC Central Committee decision on reform of the economic structure which was adopted by the 3d Plenary Session of the 12th CPC Central Committee. This decision is a programmatic document for guiding our country in carrying out reform of the economic structure. It is closely related to the People's Congress Standing Committee's future examination, discussion, and formulation of laws and solution of problems. The members of our People's Congress Standing Committee must seriously study, penetratively understand, and implement the basic spirit of the decision. We must strengthen the People's Congress Standing Committee's work and must first strengthen legislative work so that more and more economic relations and the economic activities code can be fixed in the form of law. Thus, reform of the economic structure and development of the national economy can be promoted. We must also use the spirit of the document to do well in supervising the work of the government, courts, and procuratorates. We must support and help the People's Government do a good job in reform of the economic structure in our region.

Those attending the meeting as nonvoting delegates were (Wei Liren), president of the regional Higher People's Court; (Zhu Wei), deputy procurator of the regional People's Procuratorate; and responsible comrades of the People's Congress Standing Committees of 11 cities and counties, including Nanning and Binyang.

MAO ZHIYONG ATTENDS HUNAN REPORT MEETING

HK190854 Changsha Hunan Provincial Service in Mandarin 2300 GMT 18 Nov 84

[Text] Yesterday [18 November] morning, Yu Guangyuan, member of the Central Advisory Commission and prominent Chinese economist, made a special report at the Hunan guest-house on reform of the urban economic structure. He expounded on how urban economic restructuring would give vitality to China's economy in the field of linking theory with practice.

Jiao Linyi, secretary of the provincial CPC Committee, presided over the meeting. Some 300-odd people attended the report meeting, including Mao Zhiyong, Xiong Qingquan, Liu Zheng, responsible comrades of relevant departments, and people from social sciences circles.

YANG ADDRESSES SICHUAN RECTIFICATION LIAISON MEN

HK230159 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 22 Nov 84

[Excerpts] On 21 and 22 November, the party rectification guidance group of the provincial CPC Committee held a meeting of liaison personnel who will be dispatched to various cities and prefectures. Following this meeting, these personnel are about to leave for 11 cities and prefectures.

The city, prefectoral, and autonomous prefectoral CPC Committees in the province have started to launch party rectification work since October. To find out and grasp the situation in this work, facilitate ties between upper and lower levels, exchange experiences, and strengthen guidance over party rectification work, the provincial CPC Committees party rectification guidance group has selected a number of veteran comrades in the provincial Advisory Commission, People's Congress, CPPCC, other provincial-level units, and a number of cities and prefectures to serve as liaison personnel. They will be sent to Zigong, Dukou, Wanxian, Fuling, Daxian, Neijiang, Yibin, Mianyang, Leshan, Nanchong, and Yaan cities and prefectures. Further liaison personnel will be dispatched to other cities and prefectures according to the needs of work.

Comrade Yang Rudai pointed out in a speech at the meeting: We must apply the experiences of the first phase of party rectification to do a good job of work in the second phase. He stressed: We must focus on grasping four issues in the second phase: 1) In ideological understanding, it is necessary to seriously study, profoundly appreciate, and correctly implement the decision of the 3d Plenary Session of the 12th Central Committee on reform of the economic structure, and spur and promote reform. 2) We must do a good job in education in totally negating the Cultural Revolution, which is the key to eliminating factionalism and strengthening unity. 3) Do a good job in building the leadership groups, and promote to leading posts outstanding young cadres who have pioneering spirit. Proper arrangements should also be made for the veteran comrades who are retiring, and they should be allowed to use their remaining energy. 4) We must pay attention to studying and solving new unhealthy trends that hamper reforms. In conclusion, Comrade Yang Rudai spoke on the duties, tasks, and work methods of the liaison personnel.

SICHUAN'S NATURAL POPULATION GROWTH DROPS

OW221013 Beijing XINHUA in English 0721 GMT 22 Nov 84

[Text] Chengdu, November 22 (XINHUA) -- The natural population growth in China's most populous province, Sichuan, dropped from 28.98 per thousand in 1971 to 6.05 per thousand in 1983, according to the provincial Family Planning Commission. The province's 70,000 family planning workers have been concentrating on the rural areas where 85 percent of Sichuan's 107.6 million people live. They teach women who do not wish to have more children about use of contraceptives and regularly check on them at home. Their tasks also include publicity as well as provision of contraceptives free of charge.

Over 1,000 family planning service and instructing centers across the province maintain records on women of child-bearing age. The province hopes to keep its population below 120 million within the century.

XIZANG'S DUOJIECAIDAN INTERVIEWED ON ECONOMIC POLICIES

HK230702 Beijing ZHONGGUO XINWEN SHE in Chinese 0100 GMT 21 Nov 84

[Report by Jia Guorong and Tian Di: "The Special Policy Will Bring Prosperity to Xizang -- an Interview with Duojiecaidan chairman of the Xizang Autonomous Regional Government"]

[Text] Lhasa, 21 Nov (ZHONGGUO XINWEN SHE) -- Some people describe Xizang as "a girl not known to others because she has been raised in her boudoir." Today, China has decided to change such a state of affairs and to exploit and build Xizang well. It has formulated a series of special policies for this purpose. In an interview given to reporters, Duojiecaidan chairman of the Dizang Autonomous Regional Government, introduced these special policies and the measures recently adopted by the regional government.

Realistic Policies and Guiding Ideology

When Xizang cadres were summoned to Beijing this spring to discuss Xizang's economic construction, Hu Yaobang, general secretary of the CPC Central Committee, pointed out: Although the central authorities have invested huge funds every year, Xizang has failed to develop its economy. This is mainly due to deviation from our guiding ideology, to rigid policies, and to insufficient understanding of Xizang's special characteristics. He then put forward the slogan of building a united, prosperous, and civilized Xizang.

Duojiecaidan said: "Now there has been a fundamental change in our guiding ideology, namely, we have taken into account Xizang's realities, implemented a diversified economy in the existing state enterprises, developed the individual economy, given play to the leading role of market regulation, and transformed the supply-and-dependent type economy [gong ji xing yi lai xing jing ji 0180 4822 0992 0181 6351 0992 4842 3444] into a business-type economy [jing ying xing jing ji 4842 3602 C992 4842 3444]. To sum up, the special policies of the central authorities mean delegating greater decisionmaking power to Xizang and to further relax policies. They are called special policies because they are applicable only to Xizang and not to any other places in the country. For example, concerning the documents transmitted by the central authorities to the whole country, Xizang may make appropriate adaptations in light of its specific circumstances. Even the other four autonomous regions, such as Xinjiang, Nie Monggol, Guangxi, and Ningxia, do not have such privileges. Also for example, the whole country is curtailing the scale of capital construction. However, there is no such restriction on Xizang. Instead of curtailing, Xizang is expanding the scale of capital construction. So far there are 107 key projects under construction in Xizang."

Negation of the People's Communes

With regard to rural economic reform, Duojiecaidan flatly negated the people's communes. Quoting a responsible person of the central authorities, he said: The people's communes run in Xizang were the outcome of the ultra-leftist ideas of the "Cultural Revolution." Such production relations simply do not suit Xizang.

"Xizang's rural reform is somewhat different from the interior. There is no contracted system and we do not have to deliver grain to the state," Duojiecaidan explained. "We implement the policies of distributing land to households for independent operation and of individuals possessing the pastoral areas and raising the animals independently. These policies will remain unchanged for a long time to come."

The government will not interfere in their operation nor assign purchase quotas. These policies are also applicable to agricultural, animal husbandry, and sideline products and local animal products. The peasants and herdsmen have absolute freedom to produce, purchase and market, set negotiable prices, and trade these products."

Vigorously Develop Collective and Individual Economy

"One of the important items in Xizang's economic reform is to vigorously support and develop the collective and individual economy, establish open-type markets, and carry out and protect competition. The scale of the existing state commerce will be narrowed and the state transportation enterprises will no longer be expanded so that much scope will be given to the collectives and individuals. Commerce and transport at the county levels will mainly be undertaken by the collectives and individuals. The system of contracted responsibilities will be implemented in state commerce and transportation and some vehicles of the state enterprises will be contracted to individuals for operation and management. Xizang's economic structure will be transformed into a diversified economy in which the collectives and individuals occupy a leading position. Now they account for a considerable proportion in many trades."

Give Full Play to Xizang's Superiority, Open to the Outside

The 59-year-old Duojiecaidan has a university education and the appearance of a gentleman. When the topic on Xizang's advantages was advanced, this 1.8-meter tall chairman of Zang nationality was keenly interested in the matter. He continued his story as if enumerating his family treasures: "Xizang has 1.2 billion mu of pastoral land and more than 40 kinds of mineral deposits. Its forest resources rank third and water resources second in the country. It has a variety of botanical, biological, and local special products with rich economic value, such as musk, Chinese caterpillar fungus, saffron, fur, antelope, and so on. It is richly endowed by nature with wind, solar, and geothermal energy resources. In addition, it has an ancient national culture, unique customs, traditional temples, and beautiful highland scenery, and is a nonpolluted scenic spot for tourists. We welcome investment by Overseas Chinese; Hong Kong, Macao, and Taiwan businessmen; Zang compatriots residing abroad; and foreign businessmen. We are now conducting feasibility studies and working out concrete methods for specific projects. Once the results are announced, tenders from within and outside the country will be invited and the conditions will be more preferential than the interior."

Duojiecaidan said optimistically: "Xizang will be a first-class tourism area opened to the outside world in 1986. We will set up a permanent trade office in Hong Kong next year. We are willing to carry out economic cooperation with all neighboring countries directly and are also willing to carry out enterpot trade. We will set up a customs house where declarations can be made directly in Lhasa and where the duties will be lower than the interior. We will open the border cities to the outside to carry out frontier trade. The regional authorities have the right to grant permits to prefectures, cities, and counties on directly carrying out foreign trade without being approved by the Ministry of Economy and Foreign Trade. We are now making preparations for establishing an airline company, opening an international route, and further opening Ali prefecture to the outside world and setting up an administrative perimeter there. There is no doubt that these special policies and measures will bring prosperity to Xizang."

KUNMING MILITARY REGION REVIEWS RECTIFICATION

HK210901 Beijing RENMIN RIBAO in Chinese 19 Nov 84 p 4

[Report by Liu Dean and Wang Zhiyun: "Kunming Military Region CPC Committee 'Is Looking Back' on the Finished Stage of the Rectification and Correction of Defects and Devising Measures To Ensure the Success of Party Rectification Through to the End"]

[Text] The Kunming Military Region CPC Committee is "looking back" on the finished stage of the rectification and correction of defects in party rectification, making an all-round summing up and analyzing the situation since the stage of the rectification and correction of defects began, to find out weak links and adopt corrective measures so as to ensure the success of party rectification through to the end.

In order to further consolidate and develop the results of the rectification and correction of defects and to fulfill the tasks of party rectification satisfactorily with high standards, the Kunming Military Region CPC Committee has recently devoted a definite period of time to "looking back" on the whole situation of the rectification and correction of defects in the stage completed.

In conducting the "looking back" activities, they have persisted in upholding high standards despite objective causes, they left no problems unsolved, and have done their best to fulfill the tasks for the rectification and correction of defects satisfactorily. The administrative bureau under the military region headquarters has earnestly handled some typical cases of taking advantage of one's power to seek personal gain and of grave bureaucratism. However, for various reasons, three of those cases had not been concluded by the end of October. The Military Region CPC Committee Standing Committee has twice listened to their report, analyzed the causes of the delay in solving the problems, and proposed making a thorough investigation and dealing with the cases. With regard to similar problems existing in the Political and Logistics Departments, the Military Region CPC Committee has also made an analysis and study of each individual case, and demanded the responsible people of departments concerned appoint special hands to deal with specific cases on a fixed schedule so as to solve the problems as quickly as possible.

In reference to the weak links in upholding the professional guiding idea and being bold at reforms and blazing new trails, the Kunming Military Region CPC Committee and organs have attached special attention to them in conducting "looking back" activities. The chief responsible comrade of the CPC Committee has not only made investigations and studies on several occasions, but has personally taken these matters under his care, giving them great attention. Regarding the problems of stepping up the pace in building a cadre contingent with the criteria of "being more revolutionary, younger in average age, better educated, and professionally more competent," the CPC Committee has attached great importance to it, despite the fact that market achievements have been made in this respect in the course of the rectification and correction of defects. In association with the spirit of the 3d Plenary Session of the 12th CPC Central Committee and the Central Military Commission forum, the chief responsible comrade of the Military Region CPC Committee has analyzed the situation with the department concerned under the Political Department to discover gaps and make plans, and has decided to focus work on changing the age and knowledge structures of the cadre contingent which are not suitable to the tasks of reform, so as to promote those young cadres who meet the requirements for cadres "being more revolutionary, younger in average age, better educated, and professionally more competent" to leading posts at all levels.

Regarding the problem of creating a new situation in the military work of the whole region, the headquarters has decided to sum up the combat experience of the counter-attack in self-defense against Vietnam and of defending the Yunnan border at Lao Shan and Zhe Shan, and has drawn up plans for boldly reforming the training system and setting up a modernized command system, on which 40 academic research papers have been written. Under the guidance and supervision of the Military Region CPC Committee, they are further unifying their thinking and are grasping the implementation of the new systems with powerful measures. The Logistics Department has recently grasped the building of goods and material management scientifically and regularly, which will be a breakthrough in creating a new situation in the logistics work of the whole military region as planned.

YUNNAN PROMOTES GENERAL CHECK ON PARTY STYLE

HK220730 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 20 Nov 84

[Text] According to the essential requirement of the CPC Central Committee on bringing about a change for the better in party style as soon as possible and the concrete arrangements made by the central Discipline Inspection Commission, the provincial CPC Committee recently made a decision to conduct a general check on party style throughout the province from December this year to January next year.

In accordance with the decision of the provincial CPC Committee and the work arrangements made by the central Discipline Inspection Commission, the provincial Discipline Inspection Committee held a meeting in Kunming from 13 to 16 November of discipline inspection committee secretaries of all prefectures, autonomous prefectures, and cities. The meeting relayed and studied the essence of the fourth plenary session of the central Discipline Inspection Commission, discussed how to strengthen the party's discipline inspection work and ensure the smooth progress of economic restructuring and other relevant problems, and made concrete arrangements for the general check on party style throughout the province.

The main purpose of the general check on party style throughout the province is to have a fairly complete and practical understanding of the basic situation in party style in the province, to sum up experiences, to exchange experiences in discipline inspection work, to create a new situation, to prompt the whole party to grasp improvement of party style, to ensure the smooth progress of the reform of economic structure, to strive for improvement in party style every year, and to bring about a basic change for the better in party style throughout the province within a definite time after party rectification. In conducting the general check on party style, CPC committees at all levels must, under the unified leadership, organize all functional departments, rely on the broad masses inside and outside the party, and proceed from reality to carry out four linkings: closely linking the general check on party style with the formulation of plans for basically improving party style, with the establishment and perfection of various responsibility systems for grasping party style, and with year-end comparison and examination; closely linking the general check on party style with the improvement of work style and the strengthening of the building of discipline inspection contingent; and closely linking the general check on party style with promotion of experiences and commendation of advanced ones.

The check will further enforce party discipline, correct party style, stimulate production, promote reform, and greatly improve party style.

BEIJING URGES PEASANTS TO RUN TERTIARY INDUSTRY

HK220915 Beijing JINGJI RIBAO in Chinese 8 Nov 84 p 1

[Report by Guo Zhongyi: "Beijing Further Encourages Peasant Involvement in the Tertiary Industry in the Urban Areas"]

[Text] Recently, while listening to a report by Beijing Municipality, a leading comrade of the State Council pointed out that the urban reform must make things convenient for the people in their daily life and that peasants should be encouraged to run tertiary industry. After relaying the views of the leading comrade of the State Council, the municipal government called on all relevant departments to encourage the peasants to set up tertiary industry in the service of the municipality.

According to statistics of the relevant departments in Beijing Municipality, up to the end of last year, the four major trades of the tertiary industry in Beijing, namely, commerce, food and drink, services, and repairs, had more than 49,000 stores, with a work force of more than 384,000 people, accounting for only 16.2 percent of the total work force in the municipality. Compared with the objective requirements of the capital, the gap is wide and, compared with the big cities in the developed countries, the gap is even wider. This is a major cause of the people's trouble in finding food, making clothes, finding lodging, having broken things repaired, and buying things. A leading comrade of Beijing Municipality said: Developing the tertiary industry constitutes an important task in Beijing's urban economic reform. At present, passenger transport, posts and telecommunications, and hospital services in Beijing are in serious shortage and many service trades needed by the masses are yet to be developed. For this reason, the prospects for the development of tertiary industry are very bright. In the future, not only should we encourage the peasants in suburban areas to set up the tertiary industry but the industrial enterprises in the urban areas should organize their surplus personnel in the tertiary industry. It is necessary to further relax the policy, to make overall arrangements, to coordinate the development, and to arouse the initiative of the state enterprises, the collective, and the individuals for tertiary industry.

At present, the peasants in Beijing have begun to shift their chief attention from developing township industry to tertiary industry serving the municipality. According to some statistics, the township collectives are now running more than 500 shops, restaurants, hotels, and barber shops with a work force of about 10,000 people, accounting for about 2 percent of the work force in the rural areas. This year, the municipality has approved the construction and setting up of 53 hotels with a total of 6,500 beds.

Commentator on Tertiary Industry

HK220917 Beijing JINGJI RIBAO in Chinese 8 Nov 84 p 1

[Commentator's article: "The Capital Must Pay Close Attention to Tertiary Industry"]

[Text] Developing the tertiary industry needed by the people means running numerous kinds of service trades. Beijing is a major city with a population of about 10 million people. In the past, under the influence of "changing a consumer city into a productive one," Beijing has restricted the development of tertiary industry, with the result that inconveniences in the people's daily life could not be fundamentally solved for a long time. Beijing's tertiary industry has developed in varying degree in recent years.

However, judging from the angle of developing production and stimulating consumption, energetically developing the tertiary industry is still an important task of the economic reform in Beijing and other big cities.

In developing the tertiary industry, it is necessary to change Beijing's irrational employment structure and to increase the proportion of the personnel engaging in tertiary industry. Beijing should no longer rely on industrial development to increase employment. There will certainly be a big surplus of personnel in industrial enterprises with the development of the productive forces consequent upon the reform. It is necessary to organize them into tertiary industry in order to attain economic results through the development of the service trades. Meanwhile, it is also necessary to encourage the peasants to enter the cities to engage in tertiary industry. We should not think of developing industry alone but should support the peasants in renting houses in the urban areas and making use of the vegetable fields to build hotels and open restaurants. Some government organs and units and the institutes of higher learning in Beijing should also open the walls surrounding their compounds and organize the surplus personnel and the youths waiting for job assignments in their departments to run tertiary industry collectively or let the peasants run service trades in the compounds to serve the departments and society. On a long-term basis, the educational departments should also carry out reform. They should run more secondary technical schools and vocational middle schools to train qualified personnel for the tertiary industry.

BELJING RESERVOIR REFILLED TO FIGHT DROUGHT

OW211225 Beijing XINHUA in English 0833 GMT 21 Nov 84

[Text] Beijing, November 21 (XINHUA) -- A million cubic meters of water has been refilled into the Shishanling (ming tombs) reservoir, according to today's BEIJING DAILY.

Formerly one of the capital's five largest water conservancy projects, the reservoir went dry earlier this year following five consecutive years of drought. The water table in the area, in Changping County, northeast Beijing, was found to have fallen more than three meters since 1979.

With local supplies dropping to dry season danger levels, municipal authorities called for a two-stage project to divert water from the Baihebu reservoir in neighboring Yanqing County. The first stage, completed yesterday, involved building 120 dikes, culverts, aqueducts and bridges, as well as a 2,400-meter long tunnel. The opening ceremony was presided over by Vice-Mayors Han Boping and Huang Chao. The four other projects in the Beijing area are the Miyun, Huairou, Guanting and Baihebu Reservoirs.

HEILONGJIANG ISSUES CIRCULAR ON REFORM ABUSES

SK230716 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 22 Nov 84

[Excerpts] The Heilongjiang Provincial Discipline Inspection Commission recently issued a circular urging various localities throughout the province to strictly implement policies and abide by discipline in the course of conducting reforms.

The circular points out: At present, the drive of conducting various reforms is steadily developing in depth, and the situation prevailing in the drive is very good. However, some localities, departments, and units paid no attention to the situation as a whole, ran counter to policies, and committed malpractices by taking advantage in conducting reforms, in particular, taking advantage in conducting organizational consolidation, removing setups, and counting profits. Some have even promoted cadres in a rash manner and raised their pay, even in cases where conditions were not in conformity with the four requirements for selecting cadres. Some have distributed excess bonus or distributed bonuses and articles arbitrarily, privately, and in disguised forms. Some have raised funds arbitrarily for building or buying houses for cadres in a rash manner. To approach their goals, some have even practiced fraud unscrupulously and implemented policies as they please. Though such malpractices involve specific persons, their influence and harm are very great; they not only hinder or interfere with the smooth progress of conducting reforms, but also defame party style and damage the party's prestige. Therefore, party organizations at all levels must pay serious attention to these malpractices.

The circular puts forward the following demands in warning the localities that have committed such malpractices:

1. Efforts should be made to organize the broad masses of party members and cadres, particularly leading cadres at all levels, to earnestly study the decision of the CPC Central Committee with regard to conducting reforms in the economic system and the relevant documents, to profoundly discern the aim and meaning of the drive to conduct reforms, and to be clear about the principle and policy of the reform drive.
2. In the course of conducting reforms, particularly in removing or merging units and setups, no one is allowed to promote cadres in a rash manner, or, on any pretext, to distribute bonuses or articles arbitrarily, privately, or in disguised form, or to build, buy, or distribute houses among cadres in a rash manner. It is imperative to strictly implement the policy and to abide by discipline.
3. In line with the guidelines of party rectification, those who have committed malpractices by violating the provisions should be dealt with seriously.
4. Efforts should be made to conduct education regarding party spirit, style, and discipline among party members, to conduct examination in line with the actual situation, and to earnestly correct problems that have already been discovered.

The party committees and the discipline inspection commissions at all levels should assume responsibility in a down-to-earth manner and strengthen their work of inspection and supervision in order to ensure smooth progress in conducting various reforms.

JILIN HOLDS CPC STANDING COMMITTEE MEETING

SK230248 Changchun Jilin Provincial Service in Mandarin 1030 GMT 22 Nov 84

[Excerpts] An enlarged Standing Committee meeting of the provincial CPC Committee was held in Changchun from 15 to 21 November. The meeting relayed the guidelines of the 3d Plenary Session of the 12th CPC Central Committee, further studied the decision of the CPC Central Committee on reforming the economic structure, and relayed the important speeches of Comrades Hu Yaobang and Deng Xiaoping. The participating comrades discussed what they felt and what they had learned from the study in line with the actual situation, exchanged experiences and lessons from the previous economic reform, exerted great efforts to find out where they lagged behind in their understanding and work, and offered some opinions on ways to deepen the province's reform of the economic structure.

Attending the meeting were major responsible comrades of various city, prefectural, and autonomous prefectural CPC committees, and responsible party-member cadres of the departments, committees, and offices and some sections and bureaus under the provincial organs, totaling more than 70 persons. Comrade Qiang Xiaochu spoke at the beginning of the meeting and also gave a summing-up speech at the end of the meeting.

The meeting held: Like the 3d Plenary Session of the 11th CPC Central Committee, the 3d Plenary Session of the 12th CPC Central Committee was also an important meeting in the history of our party. The decision shows the whole party and the people of all nationalities throughout the country the blueprint and orientation of a comprehensive reform. It has had vigorous repercussions at home and abroad. We should exert utmost efforts to study the decision, which has an important theoretical and immediate significance. Only when we clearly understand it theoretically can we implement it more conscientiously.

The meeting reviewed the basic situations of the previous reform of the urban economic structure, and put forward some opinions on ways to study and implement the decision of the 3d Plenary Session of the 12th CPC Central Committee in a down-to-earth manner in the next stage. First of all, attention should be focused on study for the leading cadres at and above the county level. After the promulgation of the decision, all localities have organized people to study, and have achieved some results. Generally speaking, however, they are just beginning their study, and have only a superficial understanding of the important theoretical and historical significance of the decision. Many comrades have not acquired a thorough understanding of it. Therefore, it is necessary to enhance the people's understanding of the importance of studying the decision so that they can understand the decision more thoroughly. It is necessary to advocate the spirit of studying diligently and assiduously, and oppose the feeling of being satisfied with understanding a smattering of the decision. We should adhere to the principle of integrating theory with practice in study, and in line with the actual conditions of ideology and work, sum up experiences, and find out where we lag behind while conducting the study. We should devote a certain period of time to the study, with utmost efforts to understand it more penetratingly and thoroughly. Second, we should take the CPC Central Committee's decision as a guide, conduct investigations and study of the realities of life, ascertain the situations and problems of our province's reform of the economic structure, and work out ways to deepen the reform in order to accelerate and gain the initiative in leading the reform.

The meeting also gave specific opinions on how to carry out party rectification successfully and to make arrangements for the work in the coming winter and spring.

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C H I N A
PRC MEDIA ON TAIWAN AFFAIRS

U 1

KUOMINTANG AGENTS NABBED IN SHANGHAI, FUJIAN

OW2220330 Beijing XINHUA Domestic Service in Chinese 0015 GMT 22 Nov 84

[Text] Beijing, 22 Nov (XINHUA) -- Our reporter has news from the Ministry of State Security that the state security organs in Shanghai Municipality and Fujian Province seized, on 1 September and 15 September, Li Jianming and Wu Motuo, two special agents who were sent by the Taiwan Kuomintang espionage agency to sneak into China by sea.

It is reported that Li Jianming is a native of Zhejiang Province, male, and 26 years of age. He was originally an electrician working for the Shanghai No 6 transportation center. On 17 August this year, he stealthily went from Fujian's Xiamen City to Xiaojinmen. Later he joined the KMT espionage agency at Dajinmen. After receiving the training for espionage, he accepted the assignment to sneak back to Shanghai to collect information and recruit spies. Li Jianming was captured by our state security organ in Shanghai on 1 September.

Wu Motuo, male, 30 years old, was originally a driver at the Shanghai No 8 iron and steel mill. On 17 July this year, he stealthily went to Jinmen from Tongan County, Fujian Province, joined the espionage agency and received training for espionage. Wu Mutuo accepted the assignment given by the Kuomintang espionage agency to sneak back to the mainland to collect information and develop the espionage activities organizationally. He was seized when he landed in Longhai County, Fujian Province, on the evening of 15 September.

I. 23 Nov 84

C H I N A
HONG KONG MEDIA ON CHINA

W 1

PRC DENIES MILITARY LINK WITH ISRAEL

HK220618 Hong Kong Commercial Radio in English 0430 GMT 22 Nov 84

[Text] China has dismissed a report that it has signed a multi-billion dollar arms deal with Israel. A Defense Ministry spokesman in Beijing described the report by JANE'S DEFENSE WEEKLY as totally untrue.

The magazine, which did not name its source, claims that the deal is worth U.S. \$3 billion and would involve the sending of Israeli military advisers to the country. It says the agreement marks a new phase in what it calls the clandestine relationship between the two governments. The report also alleges that the accord involves most of Israel's leading companies.

It says the first hint of military links between the two countries surfaced when foreign diplomats detected Israeli-made cannons on Chinese tanks during China's recent parade to mark its National Day.

TAIWAN ORGANIZATIONS TO BE IN HONG KONG AFTER 1997

HK220520 Hong Kong SOUTH CHINA MORNING POST in English 22 Nov 84 p 14

[By Terry Cheng]

[Text] Organisations supported by Taipei would continue to operate in Hong Kong after 1997, said Taiwan's new information chief recently.

Mr Chang King-yuk, director-general of its government Information Office, said Taipei's "best policy" for Hong Kong was to help prevent the communists "controlling" the territory.

Taipei had classified Hong Kong residents into different categories and those swearing allegiance to the Taiwan Government would be given priority assistance, he said. Mr Chang's remarks were made during an interview with two Japanese journalists on the nationalist government's policy towards Hong Kong.

Mr Chang said the question was not China regaining sovereignty over Hong Kong. He said the problem was that Chinese in Hong Kong would not accept communist rule. Mr Chang said unless there were fundamental changes on the mainland guaranteeing protection for freedom, Hong Kong people would not have confidence towards the future. Taipei's basic attitude was that Hong Kong Chinese should try their best to fight to preserve their freedom, he said. "We will do our best to offer assistance."

Mr Chang said that as only a small number of people could leave Hong Kong the best policy was how to prevent the territory from coming under the communists. He said Taiwan would give priority aid to Hong Kong people who oppose Chinese communism.

Taipei has used different terms to describe Hong Kong people -- Hong Kong Overseas Chinese, Overseas Chinese who swear allegiance to Taipei, and anti-communism people.

Mr Chang said these terms carried different meanings.

Since Taiwan's population density was very high, he said, the government would offer help according to the priority list. He pointed out that Chinese in Hong Kong did not have to decide now as there were more than 10 years before 1997.

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W 2

CHINA
HONG KONG MEDIA ON CHINA

As Hong Kong has an important position in the Far East, "other countries also have responsibility to do their best to preserve the territory's prosperity and freedom."

On Taiwan's reaction to Peking allowing Taiwan organisations and personnel to stay in Hong Kong after 1997, Mr Chang said he did not believe the Peking government could exist after 1997, or that the communists could control Hong Kong. He refused to say what Taipei would do if China ruled Hong Kong after 1997. "Our basic principle is not to make contact, compromise and negotiate. But this is not to say forces supported by us will not continue to exist after 1997." He said Hong Kong presently "is a contact point between the free world and the communist world." "Our determination to oppose communism will continue," he said.

Mr Chang said he would not deny or confirm reports about Kuomintang units and personnel in Hong Kong. "We have to protect anti-communism people in Hong Kong," he said. Mr Chang said Taipei did not have an estimate of the number of Hong Kong people who could settle in Taiwan. There would not be a rigid limit, he added.

According to Mr Chang, Peking's united front offensive was to apply pressure on countries, such as the United States and Japan, to stop them from developing relations with Taiwan. "While the military threat is always there the pressure of the United front offensive is increasing," he said.

Mr Chang said he did not believe the two systems could exist within one country.

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